

# *Michigan Department of Labor & Economic Growth*

## *Filing Endorsement*

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

***for***

***THE VILLAGE AT SHELBY I ASSOCIATION***

***ID NUMBER: 800273***

***received by facsimile transmission on July 12, 2006 is hereby endorsed***

***Filed on July 12, 2006 by the Administrator.***

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

***In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 12TH day of July, 2006.***



*Andrew J. Mitchell*

, Director

**Bureau of Commercial Services**

**NON-PROFIT  
ARTICLES OF INCORPORATION**

**THE VILLAGE AT SHELBY ASSOCIATION**

These Articles of Incorporation are signed and acknowledged by the incorporator for the purpose of forming a non-profit corporation under the provisions of Act No. 162 of the Public Acts of 1982, as follows:

**ARTICLE I**

**NAME**

The name of the corporation is The Village at Shelby I Association.

**ARTICLE II**

**PURPOSES**

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

- (a) To manage and administer the affairs of and to maintain The Village at Shelby I, a condominium (hereinafter called "Condominium");
- (b) To levy and collect assessments against and from the members of the corporation and to use the proceeds thereof for the purposes of the corporation;
- (c) To carry insurance and to collect and allocate the proceeds thereof;
- (d) To rebuild improvements after casualty;
- (e) To contract for and employ persons, firms, or corporations to assist in management, operation, maintenance and administration of said Condominium;
- (f) To make and enforce reasonable regulations concerning the use and enjoyment of said Condominium;
- (g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, including, but not limited to, any Unit in the Condominium or any other real property, whether or not contiguous to the Condominium, for

the purpose of providing benefit to the members of the corporation and in furtherance of any of the purposes of the corporation;

(h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien;

(i) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation and such Bylaws and Rules and Regulations of this corporation as may hereinafter be adopted;

(j) To do anything required of or permitted to it as administrator of said Condominium by the Condominium Master Deed or Bylaws or by Act No. 59 of Public Acts of 1978, as amended;

(k) In general, 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 said Condominium and to the accomplishment of any of the purposes thereof.

### **ARTICLE III**

#### **ADDRESSES**

Location of the first registered office is 67447 Quail Ridge, Washington Township, Macomb County, Michigan 48095.

Post office address of the first registered office is 67447 Quail Ridge, Washington Township, Michigan 48095.

### **ARTICLE IV**

#### **RESIDENT AGENT**

The name of the first resident agent is Jeffrey Desano.

### **ARTICLE V**

#### **BASIS OF ORGANIZATION AND ASSETS**

Said corporation is organized upon a non-stock, membership basis.

The amount of assets which said corporation possesses is:

Real Property: None

Personal Property: None

Said corporation is to be financed under the following general plan: Assessment of members.

## **ARTICLE VI**

### **INCORPORATOR**

The name and place of business of the incorporator is Mark J. Abdo, 42550 Garfield Road, Suite 104A, Clinton Township, Michigan 48038.

## **ARTICLE VII**

### **EXISTENCE**

The term of corporate existence is perpetual.

## **ARTICLE VIII**

### **MEMBERSHIP AND VOTING**

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

(a) Each Co-owner (including the Developer) of a Unit in the Condominium shall be a member of the corporation, and no other person or entity shall be entitled to membership; except that the subscribers hereto shall be members of the corporation until such time as their membership shall terminate, as hereinafter provided.

(b) Membership in the corporation (except with respect to any nonco-owner incorporators, who shall cease to be members upon the qualification of membership of any Co-owner) shall be established by acquisition of fee simple title to a Unit in the Condominium and by recording with the Register of Deeds in the county where the Condominium is located, a deed or other instrument establishing a change of record title to such Unit and the furnishing of evidence of same satisfactory to the corporation (except that the Developer of the Condominium shall become a member immediately upon establishment of the Condominium) the new Co-owner thereby

becoming a member of the corporation, and the membership of the prior Co-owner thereby being terminated.

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

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

## ARTICLE IX

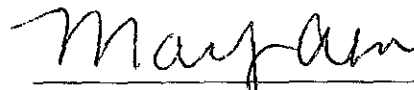
### VOLUNTEER DIRECTORS

Section 1. Pursuant to Section 209(c) of the Michigan Nonprofit Corporation Act (being Act No 162 of the Public Acts of 1982, as amended) a volunteer director (as defined in Section 110(2) of the Michigan Nonprofit Act) of The Village at Shelby I Association, is not personally liable to the corporation or its members for monetary damages for a breach of the director's fiduciary duty. However, this section shall not eliminate or limit the liability of a director for any of the following:

- (i) A breach of the director's duty of loyalty to the corporation or its members.
- (ii) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law.
- (iii) A violation of Section 551(1) of the Michigan Nonprofit Corporation Act.
- (iv) A transaction from which the director derived an improper personal benefit.
- (v) An act or omission that is grossly negligent.

Section 2. The Village at Shelby I Association hereby assumes all liability to any person other than the corporation or its members for all acts or omissions of a volunteer director.

Signed this 22nd day of June, 2006.



Mark J. Abdo, Incorporator

REC'D NOV 07 2007

*R. D. M.*

7151095  
LIBER 19035 PAGE 590

11/07/2007 12:29:30 P.M.  
MACOMB COUNTY, MI SEAL  
CARNELLA SABAUGH, REGISTER OF DEEDS

**FIRST AMENDMENT TO MASTER DEED OF  
THE VILLAGE AT SHELBY I**

24 Mile/Van Dyke Properties, L.L.C., a Michigan limited liability company, whose address is 44899 Centre Court, Suite 101, Clinton Township, Michigan 48038, being the Developer of The Village at Shelby I, a Condominium Project established pursuant to the Master Deed thereof, recorded in Liber 17482, Page 1, Macomb County Records, and known as Macomb County Condominium Subdivision Plan No. 964, hereby amends the Master Deed of The Village at Shelby I pursuant to the authority reserved in therein for the purposes of amending Article V, Section 5, and Article VI, Section 1, of the Condominium Bylaws. Upon recordation in the Office of the Macomb County Register of Deeds of this Amendment, said Master Deed shall be amended in the following manner:

1. Article V, Section 5, of the Condominium Bylaws of The Village at Shelby I, as set forth below, shall replace and supersede Article V, Section 5, as originally recorded and Article V, Section 5 as originally recorded shall be of no further force or effect.

***Amended Article V, Section 5, of the Condominium Bylaws:***

**Section 5. Timely Reconstruction and Repair.** If damage to Common Elements or a Unit adversely affects the appearance of the Project, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof shall proceed with replacement of the damaged property without delay, and shall complete such replacement within 6 months after the approval of insurance proceeds, if any, and all Township Approvals.

2. Article VI, Section 1, of the Condominium Bylaws of The Village at Shelby I, as set forth below, shall replace and supersede Article VI, Section 1, as originally recorded and Article VI, Section 1 as originally recorded shall be of no further force or effect.

***Amended Article VI, Section 1, of the Condominium Bylaws:***

**Section 1. Permitted Use.** Units in the Condominium shall be used for those purposes allowed under the ordinances of Shelby Township.

*2*

*17*



This is to certify that according to the County Treasurer's records there are no tax liens on this property and that the taxes are paid for five years prior to the date on this instrument except 20 No 3611 TED B. WAHBY Macomb County Treasurer BY MLC This certification does not include current taxes now being collected. Date 12-22-05

6002189  
LIBER 17482 PAGE 1



01/05/2006 11:29:49 A.M.  
MACOMB COUNTY, MI SEAL  
CARNELLA SABAUGH, REGISTER OF DEEDS

**MASTER DEED  
THE VILLAGE AT SHELBY I**

This Master Deed is made and executed on this 19<sup>th</sup> day of December 2005, by 24 Mile/Van Dyke Properties, L.L.C. ("Developer"), a Michigan limited liability company, whose address is 44899 Centre Court, Suite 101, Clinton Township, Michigan 48038, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended), hereinafter referred to as the "Act".

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

NOW, THEREFORE, the Developer does, upon the recording hereof, establish The Village at Shelby I as a Condominium Project under the Act and does declare that The Village at Shelby I (hereinafter referred to as the "Condominium", "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, restrictions, uses, limitations and affirmative obligations set forth in this Master Deed and Exhibits A and B hereto, all of which shall be deemed to run with the land and shall be a burden and a benefit to the Developer, its successors and assigns, and any persons acquiring or owning an interest in the Condominium Premises, their grantees, successors, heirs, personal representatives and assigns. In furtherance of the establishment of the Condominium Project, it is provided as follows:

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**ARTICLE I**

**TITLE AND NATURE**

The Condominium Project shall be known as The Village at Shelby I, Macomb County Condominium Subdivision Plan No. 94. The Condominium Project is established in accordance with the Act. The buildings and Units contained in the Condominium, including the number, boundaries, dimensions, and area of each Unit therein, are set forth completely in the Condominium Subdivision Plan attached as Exhibit B hereto. Each building contains individual Condominium Units and each Unit is capable of individual utilization on account of having its own entrance from and exit to a Common Element or the Condominium Project. Each Co-owner in the Condominium Project shall have an exclusive right to his Unit and shall have undivided and inseparable rights to share with other Co-owners the Common Elements of the Condominium Project as are designated by the Master Deed.

**ARTICLE II**

**LEGAL DESCRIPTION**

The land which is submitted to the Condominium Project established by this Master Deed is particularly described as follows:

A PARCEL OF LAND LOCATED IN THE SOUTHEAST 1/4 OF SECTION 9, T.3N., R.12E., SHELBY TOWNSHIP, MACOMB COUNTY, MICHIGAN, BEING DESCRIBED AS PART OF LOTS 12, 13 AND 14, PART OF LOTS 21, 22 AND 23, "SUPERVISOR'S PLAT OF DISCO" (AS RECORDED IN L.17, P.12 OF PLATS, MACOMB COUNTY RECORDS) PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 9, THENCE ALONG THE SOUTH SECTION LINE (ALSO BEING THE CENTERLINE OF 24 MILE ROAD, NORTH 1/2 BEING 33' WIDE) S89°25'44"W 306.72', THENCE N00°34'16"W 60.00' TO THE POINT OF BEGINNING; THENCE ALONG THE NORTH RIGHT-OF-WAY LINE OF 24 MILE ROAD (PROPOSED NORTH 1/2 BEING 60' WIDE) S89°25'44"W 336.51' (RECORDED AS S89°23'W); THENCE ALONG THE EAST LINE OF LOT 24 OF SAID "SUPERVISOR'S PLAT OF DISCO," N00°54'14"E 108.98'; THENCE ALONG THE NORTH LINE OF SAID LOT 24, S89°25'44"W 15.29'; THENCE N00°34'07"W 49.00'; THENCE N89°25'53"E 30.39'; THENCE N53°07'21"E 71.07'; THENCE N89°25'53"E 261.34'; THENCE S00°34'07"E 200.01' TO THE POINT OF BEGINNING. CONTAINING 1.5108 ACRES SUBJECT TO AND TOGETHER WITH ALL EASEMENTS, EXCEPTIONS, CONDITIONS, RESERVATIONS AND RESTRICTIONS CONTAINED IN PRIOR CONVEYANCES OF RECORD OF OTHERWISE.

Excepting therefrom any portion deeded, taken or used for public road purposes, subject to all

easements and restrictions of record and all governmental limitation, and subject to a certain Declaration of Easements, Covenants, Conditions and Restrictions for The Village at Shelby Master Community as recorded in Liber \_\_\_\_\_, Page \_\_\_\_\_, Macomb County Records.

### ARTICLE III

#### DEFINITIONS

Certain terms are utilized not only in this Master Deed and Exhibits A and B hereto, but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation and rules and regulations of The Village at Shelby I Association, a Michigan non-profit corporation, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in The Village at Shelby I as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

**Section 1. Act.** The "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.

**Section 2. Association.** "Association" means The Village at Shelby I Association, which is the 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 its members by the Condominium Documents or the laws of the State of Michigan.

**Section 3. Bylaws.** "Bylaws" means Exhibit A hereto, being the Bylaws 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. The Bylaws shall also constitute the corporate bylaws of the Association as provided for under the Michigan Nonprofit Corporation Act.

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

**Section 5. Condominium Documents.** "Condominium Documents" means and includes this Master Deed and Exhibits A and B hereto, and the Articles of Incorporation, and rules and regulations, if any, of the Association, as all of the same may be amended from time to time.

**Section 6. Condominium Premises.** "Condominium Premises" means and includes the land described in Article II above, all improvements and structures thereon, and all easements, rights and appurtenances belonging to The Village at Shelby I as described above.

**Section 7. Condominium Project, Condominium or Project.** "Condominium Project", "Condominium" or "Project" means The Village at Shelby I, a Condominium Project established in conformity with the provisions of the Act.

**Section 8. Condominium Subdivision Plan.** "Condominium Subdivision Plan" means Exhibit B hereto.

**Section 9. Construction and Sales Period.** "Construction and Sales Period" means the period commencing with the recording of the Master Deed and continuing as long as the Developer owns any Unit which it offers for sale or for so long as the Developer continues to construct or proposes to construct additional Units.

**Section 10. Co-owner.** "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which own one or more Units in the Condominium Project and shall include a Land Contract Vendee. The term "Owner", wherever used, shall be synonymous with the term "Co-owner".

**Section 11. Developer.** "Developer" means 24 Mile/Van Dyke Properties, L.L.C., a Michigan limited liability company, which has made and executed this Master Deed, and its successors and assigns. Both successors and assigns shall always be deemed to be included within the term "Developer" whenever, however and wherever such terms are used in the Condominium Documents.

**Section 12. First Annual Meeting.** "First Annual Meeting" means the initial meeting at which non-developer Co-owners are permitted to vote for the election of all Directors and upon all other matters which properly may be brought before the meeting. Such meeting is to be held (a) in the Developer's sole discretion after 50% of the Units which may be created are sold or (b) mandatorily after the elapse of 54 months from the date of the first Unit conveyance or (c) mandatorily after 75% of all Units which may be created are sold, whichever first occurs.

**Section 13. Transitional Control Date.** "Transitional Control Date" means the date on which a Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible Co-owners unaffiliated with the Developer exceeds the votes which may be cast by the Developer.

**Section 14. Unit or Condominium Unit.** "Unit" or "Condominium Unit" each mean the enclosed space constituting a single complete Condominium Unit in The Village at Shelby I, as such space may be described on Exhibit B hereto, and shall have the same meaning as the term "Condominium Unit" as defined in the Act.

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 and vice versa.

#### ARTICLE IV

#### COMMON ELEMENTS

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

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

(a) **Land.** The land described in Article II hereof (including roads), not identified as Limited Common Elements.

(b) **Electrical.** The electrical transmission system throughout the Project, including that contained within Unit walls, up to the point of connection with, but not including, electrical fixtures, plugs and switches within any Unit.

(c) **Telephone.** The telephone system throughout the Project up to the point of entry to each Unit.

(d) **Gas.** The gas distribution system throughout the Project, including that contained within Unit walls, up to the point of connection with gas fixtures within any Unit.

(e) **Water.** The water distribution system throughout the Project, including that contained within Unit walls, up to the point of connection with plumbing fixtures within any Unit.

(f) **Sanitary Sewer.** The sanitary sewer system through out the Project, including that contained within Unit walls, up to the point of connection with plumbing fixtures within any Unit.

(g) **Telecommunications.** The telecommunications system, if and when it may be installed, up to, but not including, connections to provide service to individual Units.

(h) **Construction.** Foundations, supporting columns, Unit perimeter walls (excluding windows and doors therein), roofs, ceilings, floor construction between Unit levels and chimneys.

(i) **Other.** Such other elements of the Project not herein designated as General or Limited Common Elements which are not enclosed within the boundaries of a Unit, and which are intended for common use or are necessary to the existence, upkeep and safety of the Project.

Some or all of the utility lines, systems (including mains and service leads) and equipment and the telecommunications system, if and when constructed, described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems and equipment, and the telecommunications system, if and when constructed, shall be General Common Elements only to the extent of the Co-owners' interest therein, if any, and Developer makes no warranty whatever with respect to the nature or extent of such interest, if any.

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

(a) **Balconies.** Each individual balcony, if any, in the Project is restricted in use to the Co-owner of the Unit which opens into such balcony area as shown on Exhibit B hereto.

(b) **Porches.** Each individual porch in the Project is restricted in use to the Co-owner of the Unit which opens into such porch as shown on Exhibit B hereto.

(c) **Garages and Driveways.** Each garage and adjacent driveway shall be appurtenant as a Limited Common Element to the Unit to which the number of the garage and driveway corresponds as shown on Exhibit B hereto.

(d) **Garage Doors and Openers.** The garage door and electric garage door opener for each garage having the same shall be limited in use to the Co-owner of the Unit to which such garage is appurtenant as a Limited Common Element.

(e) **Air-Conditioner Compressors.** Each air-conditioner compressor, if any, located outside any building shall be limited in use to the Co-owner of the Unit which such compressor services.

(f) **Interior Surfaces.** The interior surfaces of Unit perimeter walls, ceiling and floors contained within a Unit shall be subject to the exclusive use and enjoyment of the Co-owner of such Unit.

(g) **Windows and Doors.** Windows and doors shall be appurtenant as Limited Common Elements to the Units which they service.

(h) **Stairs.** The stairs area (as depicted on Exhibit B hereto) shall be appurtenant as Limited Common Elements to the Units which they service.

**Section 3. Responsibilities.** The respective responsibilities for the maintenance, decoration, repair and replacement of the Common Elements are as follows:

(a) **Garage Doors and Openers.** The costs of maintenance, repair and replacement

of each garage door and electric garage door opener referred to in Section 2(d) above shall be borne by the Co-owner of the Unit to which such Limited Common Element is appurtenant.

(b) **Air-Conditioner Compressors.** The costs of maintenance, repair and replacement of each air-conditioner compressor, if any, referred to in Section 2(e) above shall be borne by the Co-owner of the Unit to which such air-conditioner compressor is appurtenant.

(c) **Windows and Doors.** The costs of maintenance, repair and replacement of all windows and doors referred to in Section 2(g) above shall be borne by the Co-owner of the Unit to which such Limited Common Elements are appurtenant.

(d) **Interior Maintenance.** The costs of decoration and maintenance (but not repair or replacement except in cases of Co-owner fault) of the interiors of garages referred to in Section 2(c) above, all stairs referred to Section 2(h) above and all surfaces referred to in Section 2(f) above shall be borne by the Co-owner of each Unit to which such Limited Common Elements are appurtenant.

(e) **Balconies.** The costs of maintenance, repair and replacement of each balcony area referred to in Article IV, Section 2(a) above shall be borne by the Co-owner of the Unit to which it relates.

(f) **Other.** The costs of maintenance, repair and replacement of all General and Limited Common Elements other than as described above shall be borne by the Association, subject to any provisions of the Bylaws attached hereto as Exhibit A and The Village at Shelby Master Community Declaration (described in Article VIII hereof) expressly to the contrary.

**Section 4. Use of Units and Common Elements.** 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.

## ARTICLE V

### UNIT DESCRIPTION AND PERCENTAGE OF VALUE

**Section 1. Description of Units.** Each Unit in the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan of The Village at Shelby I and attached hereto as Exhibit B. Each Unit shall include all that space contained within the finished unpainted walls and ceilings and from the finished subfloor all as shown on the floor plans and sections in Exhibit B hereto. In the event the Unit as constructed deviates from the dimensions shown on the Condominium Subdivision Plan, then the Plans shall be deemed automatically changed to the dimensions for the Units as constructed by the Developer.

**Section 2. Percentage of Value.** The percentage of value assigned to each Unit is equal. The percentages of value were computed on the basis of comparative characteristics of the Units and concluding that there are not material differences among them insofar as the allocation of the Percentages of Value is concerned. The total value of the Project is precisely 100%. The percentage of value assigned to each Unit shall be determinative of each Co-owner's respective share of the Common Elements of the Condominium Project, 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.

## ARTICLE VI

### CONVERTIBLE AREAS

**Section 1. Designation of Convertible Areas.** Each Unit in the Project and all General and Limited Common Elements are Convertible Areas within which the individual Units may be expanded and/or reduced in size and within which the General and/or Limited Common Elements appurtenant to such Units may be constructed, redefined and/or relocated.

**Section 2. Developer's Rights.** Developer reserves the right, in its sole discretion, during a period ending no later than 6 years from the date of recording this Master Deed, to expand and/or reduce the size of individual Units, and to construct, redefine and/or relocate General and/or Limited Common Elements within the Convertible Areas.

**Section 3. Compatibility of Improvements.** All improvements constructed within the Convertible Areas described above shall be reasonably compatible with the structures on the other portion of the Condominium Project. No improvements, other than as above indicated, may be created on the Convertible Areas.

**Section 4. Amendment of Master Deed.** Modifications within this Condominium Project shall be given effect by an appropriate amendment to the Master Deed in the manner provided by law, which amendment shall be prepared by and at the discretion of the Developer or its successors and in which the percentages of value set forth in Article V hereof shall be proportionately readjusted in order to preserve a total value of 100 for the entire Project resulting from such amendment or amendments to this Master Deed. The precise determination of the readjustments in percentages of value shall be made within the sole judgment of Developer. Such readjustments, however, shall reflect a continuing reasonable relationship among percentages of value based upon the method of original determination of percentages of value for the Project. Such amendment or amendments to the Master Deed shall also contain such further definitions and redefinitions of General or Limited Common Elements as may be necessary to adequately describe and service the Units and Common Elements being modified by such amendment. In connection with such amendment, Developer shall have the right to change the nature of any Common Element previously included in the Project for any purpose reasonably necessary to achieve the purposes of this Article.

**Section 5. Consent of Interested Persons.** All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments to this Master Deed to effectuate the foregoing and to any proportionate reallocation of percentages of value of existing Units which Developer or its successors may determine necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer or its successors as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing.

## ARTICLE VII

### EASEMENTS

**Section 1. Easement for Maintenance of Encroachments and Utilities.** In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling or moving of a building, or due to survey errors, or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. There shall be easements to, through and over those portions of the land, structures, buildings, improvements and walls (including interior Unit walls) contained therein for the continuing maintenance and repair of all utilities in the Condominium. There shall exist easements of support with respect to any Unit interior wall which supports a Common Element.

**Section 2. Easements Retained by Developer.** The following easement reservations may be modified by Developer if such easements are covered by another recorded instrument granting such rights to Developer or the land benefitted by such easements.

(a) **Utility Easements.** Developer also hereby reserves for the benefit of itself, its successors and assigns, perpetual easements to utilize, tap, tie into, extend and enlarge all utility mains located in the Condominium Premises, including, but not limited to, water, gas, storm retention areas, storm and sanitary sewer mains. In the event Developer, its successors or assigns, utilizes, taps, ties into, extends or enlarges any utilities located on the Condominium Premises, it shall be obligated to pay all of the expenses reasonably necessary to restore the Condominium Premises to their state immediately prior to such utilization, tapping, tying-in, extension or enlargement.

(b) **Sign Easements.** Developer reserves for the benefit of itself, its successors and assigns, a easement to construct and maintain on the Project a sign advertising the Developer's new location. Developer also reserves an easement over the Project entrance for the purpose of maintaining signs advertising the future development of the Project.

(c) **Model Easements.** The Developer reserves right to at all times use the model Units in the Condominium Project to market other projects developed by the Developer, its



successors and assigns.

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

**Section 4. Easements for Maintenance, Repair and Replacement.** The Developer, the Association and all public or private utilities shall have such easements as may be necessary over the Condominium Premises, including all Units and Common Elements to fulfill any responsibilities of maintenance, repair, decoration or replacement which they or any of them are required or permitted to perform under the Condominium Documents.

**Section 5. Telecommunications Agreements.** The Developer during the Construction and Sales Period, shall have the power to grant such easements, licenses and other rights of entry, use and access and to enter into any contract or agreement, including wiring agreements, right-of-way agreements, access agreements and multi-unit agreements and, to the extent allowed by law, contracts for sharing of any installation or periodic subscriber service fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Project or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which will violate any provision of any federal, state or local law or ordinance.

## ARTICLE VIII

### THE VILLAGE AT SHELBY MASTER COMMUNITY

**Section 1. The Village at Shelby.** The Village at Shelby I is part of The Village at Shelby Master Community. In order to provide a framework for the coordinated development of The Village at Shelby Master Community, and for the joint use, maintenance and support of designated portions thereof, the Declaration of Covenants, Conditions, Easements and Restrictions for The Village at Shelby Master Community (the "Declaration") has been established as referred to in Article II hereof. Such Declaration is incorporated herein by reference and shall be binding upon all Co-owners and the Association to the extent applicable to the Condominium Project. The Declaration confers certain benefits and imposes certain obligations upon the Co-owners and the Project, including, without limitation, the non-exclusive right to use and the obligation to share in the cost of maintenance and support of the Community Areas designated as such from time to time in accordance with the Declaration. All assessments levied against the Co-owners and their Units pursuant to such Declaration shall be equal and shall not be apportioned among the Co-owners in

accordance with the percentages of value assigned to the Units owned by them.

**Section 2. Community Area Easements.** The Developer or the Association shall have the right to (i) grant easements over or with respect to the General Common Elements of the Condominium, and/or (ii) designate any General Common Element of the Condominium as a Community Area, as may be necessary or desirable in furtherance of development, community usage, coordinated maintenance and operation of The Village at Shelby Master Community and to confer responsibilities and jurisdiction for administration and maintenance of such easements upon the administrator of The Village at Shelby Master Community.

**Section 3. Landscape Area Maintenance.** Pursuant to the Article IV, Section 9, of the Master Declaration, The Village at Shelby Master Community Association ("Master Association") shall be responsible for the maintenance, replacement and repair of the Landscape Areas located within Community Areas. The Master Association shall be responsible for the maintenance, replacement and repair of the landscape improvements located within Landscape Areas located within Community Areas depicted on Exhibit C therein. In the event that the Master Association shall at any time fail to maintain the Landscape Areas in reasonable condition and order, Shelby Township ("Township") shall serve written notice upon the Master Association setting forth the manner in which the Master Association has failed to maintain the Landscape Areas in reasonable condition and order. The notice shall include a demand that deficiencies in the maintenance be cured within thirty (30) days thereof, and notify the Master Association of the date, time and place of a public hearing before the Township Board or such other boards or body of officials to whom the Township shall delegate such responsibility. Such hearing shall be held within fifteen (15) days of the notice. At such hearing the Township may modify the terms of the original notice of deficiencies in maintenance and may grant an extension of time within which such deficiencies shall be cured. If the deficiencies set forth in the original notice or in the modification thereof, are not cured within said thirty (30) day period or any extensions of time granted at the hearing, the Township, in order to eliminate and cure the deficiencies in the operation and maintenance of the , may enter upon the property and maintain said for a period of one (1) year. The maintenance of the Landscape Areas by the Township shall not constitute a taking of the Landscape Areas nor vest in the public any additional right to use the same.

Within sixty (60) days prior to the expiration of the aforesaid one (1) year period that the Landscape Areas is under the control and jurisdiction of the Township, the Master Association may request another public hearing be held or the Township may call another public hearing upon reasonable notice to the Master Association. At such hearing the Master Association shall show cause why such and maintenance by the Township shall not continue for a succeeding one (1) year period. If the Township shall reasonably determine that the Master Association is ready, willing and able to maintain the Landscape Areas in reasonable condition and order, the Township shall cease to operate and maintain the Landscape Areas at the end of said year. If the Township shall reasonably determine that the Master Association is not ready, willing and able to maintain the Landscape Areas during the next succeeding year, then subject to a similar public hearing and determination in each successive year thereafter, the Township may continue to enter upon the property and maintain said Landscape Areas.

Should deficiencies in the maintenance of the Landscape Areas be determined by the Township to constitute an impending danger to health, safety and welfare of the public, or a public or private nuisance, the Township shall have the right to take immediate correction action and summarily abate such danger or nuisance.

The actual costs and expenditures, including administration expenses and attorney fees, incurred by the Township as a result of its maintenance of the Landscape Areas or the summary abatement of an impending danger or nuisance in relation thereto, shall be at the expense of the Master Association and such costs and expenditures shall be assessed against the Assessment Units in The Village at Shelby Master Community and become due, be collected and be returned for non-payment in the same manner and at the same time as ad valorem property tax levies of the Township.

The Township, at its option, shall be subrogated to any rights the Master Association may have in this Master Deed for the imposition of assessments and the collection thereof in relation to the Landscape Areas.

The maintenance provisions contained in VIII Section 3, shall not be amended in any way without the prior written consent of Macomb Township.

**Section 4. Detention Basin Maintenance.** Pursuant to the Article IV, Section 11, of the Master Declaration, The Village at Shelby Master Community Association ("Master Association") shall be responsible for the maintenance, replacement and repair of the Detention Basin located within Community Areas. The Master Association shall be responsible for the maintenance, replacement and repair of the located within Detention Basin located within Community Areas depicted on Exhibit C therein. In the event that the Master Association shall at any time fail to maintain the Detention Basin in reasonable condition and order, Shelby Township ("Township") shall serve written notice upon the Master Association setting forth the manner in which the Master Association has failed to maintain the Detention Basin in reasonable condition and order. The notice shall include a demand that deficiencies in the maintenance be cured within thirty (30) days thereof, and notify the Master Association of the date, time and place of a public hearing before the Township Board or such other boards or body of officials to whom the Township shall delegate such responsibility. Such hearing shall be held within fifteen (15) days of the notice. At such hearing the Township may modify the terms of the original notice of deficiencies in maintenance and may grant an extension of time within which such deficiencies shall be cured. If the deficiencies set forth in the original notice or in the modification thereof, are not cured within said thirty (30) day period or any extensions of time granted at the hearing, the Township, in order to eliminate and cure the deficiencies in the operation and maintenance of the , may enter upon the property and maintain said for a period of one (1) year. The maintenance of the Detention Basin by the Township shall not constitute a taking of the Detention Basin nor vest in the public any additional right to use the same.

Within sixty (60) days prior to the expiration of the aforesaid one (1) year period that the Detention Basin is under the control and jurisdiction of the Township, the Master Association may request another public hearing be held or the Township may call another public hearing upon

reasonable notice to the Master Association. At such hearing the Master Association shall show cause why such maintenance by the Township shall not continue for a succeeding one (1) year period. If the Township shall reasonably determine that the Master Association is ready, willing and able to maintain the Detention Basin in reasonable condition and order, the Township shall cease to operate and maintain the Detention Basin at the end of said year. If the Township shall reasonably determine that the Master Association is not ready, willing and able to maintain the Detention Basin during the next succeeding year, then subject to a similar public hearing and determination in each successive year thereafter, the Township may continue to enter upon the property and maintain said Detention Basin.

Should deficiencies in the maintenance of the Detention Basin be determined by the Township to constitute an impending danger to health, safety and welfare of the public, or a public or private nuisance, the Township shall have the right to take immediate correction action and summarily abate such danger or nuisance.

The actual costs and expenditures, including administration expenses and attorney fees, incurred by the Township as a result of its maintenance of the Detention Basin or the summary abatement of an impending danger or nuisance in relation thereto, shall be at the expense of the Master Association and such costs and expenditures shall be assessed against the Assessment Units in The Village at Shelby Master Community and become due, be collected and be returned for non-payment in the same manner and at the same time as ad valorem property tax levies of the Township.

The Township, at its option, shall be subrogated to any rights the Master Association may have in this Master Deed for the imposition of assessments and the collection thereof in relation to the Detention Basin.

The maintenance provisions contained in this Article VIII, Section 4, shall not be amended in any way without the prior written consent of Macomb Township.

## ARTICLE IX

### AMENDMENT

This Master Deed and the Condominium Subdivision Plan (Exhibit B to said Master Deed) may be amended with the consent of 66-2/3% of the Co-owners except as hereinafter set forth:

**Section 1. Co-owner Consent.** No Unit dimension may be modified without the consent of the Co-owner of such Unit nor may the nature or extent of Limited Common Elements or the responsibility for maintenance, repair or replacement thereof be modified without the written consent of the Co-owner of any Unit to which the same are appurtenant.

**Section 2. By Developer.** Prior to 1 year after expiration of the Construction and Sales

such assignment or transfer shall be made by appropriate instrument in writing duly recorded in the office of the Macomb County Register of Deeds.

24 Mile/ Van Dyke Properties, L.L.C.,  
a Michigan limited liability company

By: *Gaetano T. Rizzo*  
Gaetano T. Rizzo, Manager

STATE OF MICHIGAN )  
                                  ) ss.  
COUNTY OF MACOMB)

The foregoing instrument was acknowledged before me this 31 day of October, 2005, by Gaetano T. Rizzo, Manager of 24 Mile/ Van Dyke Properties, L.L.C., a Michigan limited liability company, on behalf it.

MICHELLE RENEE DUROCHER  
NOTARY PUBLIC - STATE OF MICHIGAN  
COUNTY OF MACOMB  
My Commission expires July 14, 2011  
Acting in the County of Macomb

*Michelle Renee DuRocher*  
Michelle Renee DuRocher Notary Public  
MACOMB Acting in Macomb County, Michigan  
My Commission Expires: 7-14-11

Master Deed drafted by:

Mark J. Abdo, Attorney at Law  
42550 Garfield Road, Suite 104A  
Clinton Township, Michigan 48038

When recorded, return to drafter

CONSENT OF MORTGAGEE ATTACHED HERETO

CONSENT OF MORTGAGEE

The undersigned, Citizens First Bank, whose address is 525 Water Street, Port Huron, Michigan 48060, being the holder of a certain Mortgage covering The Village at Shelby I, hereby acknowledges and consents to the foregoing Master Deed for The Village at Shelby I.

CITIZENS FIRST BANK

By: Michael Patterson

Its: VP  
MICHAEL PATTERSON

STATE OF MICHIGAN )  
COUNTY OF Macomb )ss.

The foregoing instrument was acknowledged before me this 19 day of December, 2005, by MICHAEL PATTERSON the Vice President of Citizens First Bank, on behalf of the Bank.

Charlene Maxwell  
Notary Public  
Acting in St. Clair County, Michigan  
My Commission Expires: 4-15-08

Acting in Macomb county

**EXHIBIT A**

**BYLAWS**

**THE VILLAGE AT SHELBY I**

**ARTICLE I**

**ASSOCIATION OF CO-OWNERS**

The Village at Shelby I, a Condominium Project located Shelby Township, Macomb County, Michigan, shall be administered by an Association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Condominium Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Association Bylaws provided for under the Michigan Non-profit Corporation Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

**ARTICLE II**

**ASSESSMENTS**

**Section 1. Assessments Against Units and Co-owners.** All expenses arising from the management, administration and operation of the Association in pursuance of its authorizations and responsibilities as set forth in the Condominium Documents and the Act shall be levied by the Association against the Units and the Owners thereof in accordance with the following provisions.

**Section 2. Assessments for Common Elements.** All costs incurred by the Association in satisfaction of any liability arising with, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance

securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute receipt affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

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

**(a) Budget.** The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular monthly payments as set forth in Section 4 below rather than by special assessments. ~~At minimum, the reserve fund shall be equal to 10% of the Association's annual budget on a noncumulative basis.~~ Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Association of Co-owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the 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 or in any way diminish 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 \$1,000.00 annually for the entire Condominium 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 Board of Directors also shall have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 4 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

**(b) Special Assessments.** Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements of a cost exceeding \$1,000.00 for the entire Condominium Project per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 6 hereof, or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to



in this subparagraph (b) (but not including those assessments referred to in subparagraph 3(a) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than 60% of all Co-owners in number and in value. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members thereof.

**Section 4. Apportionment of Assessments and Penalty for Default.** Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of 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, Section 3(a) above shall be payable by Co-owners in 12 equal monthly installments, commencing with acceptance of a deed to a unit and contract vendor's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means.~~ The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. ~~A late charge of 1% per month shall be assessed automatically by the Association upon any assessments in default for five consecutive days until installment together with the applicable late charges is paid in full.~~ Each Co-owner (whether 1 or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while such Co-owner is the owner thereof. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

**Section 5. Waiver of Use or Abandonment of Unit.** No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit.

**Section 6. Enforcement.**

(a) **Remedies.** In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a Co-owner in default upon 7 days' written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate

to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. The Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions of Article XIX, Section 4 of these Bylaws. All of these remedies shall be cumulative and not alternative.

(b) **Foreclosure Proceedings.** Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of 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 sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this subparagraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of subject Unit.

(c) **Notices of Action.** Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of 10 days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address, of a written notice that 1 or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within 10 days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i), the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of 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 commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the 10-day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

(d) **Expenses of Collection.** The expenses incurred in collecting unpaid assessments,

including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit.

**Section 7. Liability of Mortgagee.** Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit).

**Section 8. Developer's Responsibility for Assessments.** The Developer of the Condominium, although a member of the Association, shall not be responsible at any time for payment of the monthly Association assessment, except with respect to completed and occupied Units that it owns. A completed Unit is one with respect to which a certificate of occupancy has been issued. An occupied Unit is one which is occupied as a residence. Developer shall independently pay all direct costs of maintaining completed Units for which it is not required to pay regular maintenance assessments and shall not be responsible for any payments whatsoever to the Association in connection with such Units. Further, the Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Unit from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar or related costs.

**Section 9. Property Taxes and Special Assessments.** All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

**Section 10. Personal Property Tax Assessment of Association Property.** The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

**Section 11. Mechanic's Lien.** A mechanic's lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

**Section 12. Statement as to Unpaid Assessments.** The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein.

Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied, provided, however, that the failure of a purchaser to request such statement at least 5 days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

### ARTICLE III

#### ARBITRATION

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

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

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

### ARTICLE IV

#### INSURANCE

**Section 1. Extent of Coverage.** The Association shall carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements and certain other portions of the Condominium Project, as set forth below, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

(a) **Responsibilities of the Co-owners and Association.** All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners. Each Co-owner may obtain insurance coverage at his own expense upon his Unit. It shall be each Co-owner's responsibility to determine by personal investigation or from his own insurance advisors the nature and extent of insurance coverage adequate to his needs and thereafter to obtain insurance coverage for his personal property and any additional fixtures, equipment and trim (as referred to in subsection (b) below) located within his Unit or elsewhere on the Condominium and for his personal liability for occurrences within his Unit or upon Limited Common Elements appurtenant to his Unit, and also for alternative living expense in event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association, as to all policies which it obtains, and all Co-owners, as to all policies which they obtain, 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.

(b) **Insurance of Common Elements and Fixtures.** 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 current insurable replacement value, ~~excluding foundation and excavation costs,~~ as determined annually by the Board of Directors of the Association in consultation with the Association's insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall be effected upon an agreed-amount basis for the entire Condominium Project with appropriate inflation riders in order that no co-insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total project destruction if the insurance proceeds failed, for some reason, to be equal to the total cost of replacement). All information in the Association's records regarding insurance coverage shall be made available to all Co-owners upon request and reasonable notice during normal business hours so that Co-owners shall be enabled to judge the adequacy of coverage and, upon the taking of due Association procedures, to direct the Board at a properly constituted meeting to change the nature and extent of any applicable coverages, if so determined. Upon such annual reevaluation and effectuation of coverage, the Association shall notify all Co-owners of the nature and extent of all changes in coverages. Such coverage shall also include interior walls within any Unit and the pipes, wire, conduits and ducts contained therein and shall further include all fixtures, equipment and trim within a Unit which were furnished with the Unit as *standard items* in accord with the plans and specifications thereof as are on file with the local unit of government in which this Project is located (or such replacements thereof as do not exceed the cost of such standard items). It shall be each Co-owner's responsibility to determine the necessity for and to obtain insurance coverage for all fixtures, equipment, trim and other items or attachments within the Unit or any Limited Common Elements appurtenant thereto which were installed in addition to said standard items (or as replacements for such *standard items* to the extent that replacement cost exceeded the original cost of such standard items) whether installed originally by the Developer or subsequently by the Co-owner, and the Association shall have no responsibility whatsoever for obtaining such

coverage unless agreed specifically and separately between the Association and the Co-owner in writing.

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

(d) **Proceeds of Insurance Policies.** Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the Co-owners and their mortgagees, as their interests may appear, provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction.

**Section 2. Authority of Association to Settle Insurance Claims.** 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 therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

## ARTICLE V

### RECONSTRUCTION OR REPAIR

**Section 1. Determination to Reconstruct or Repair.** If any part of the Condominium Premises shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) **Partial Damage.** If the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by a unanimous vote of all of the Co-owners in the Condominium that the Condominium shall be terminated.

(b) **Total Destruction.** If the Condominium is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt unless 80% or more of the Co-owners in value

and in number agree to reconstruction by vote or in writing within 90 days after the destruction.

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

**Section 3. Co-owner Responsibility for Repair.**

(a) **Definition of Co-owner Responsibility.** If the damage is only to a part of a Unit which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with subsection (b) hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

(b) **Damage to Interior of Unit.** Each Co-owner shall be responsible for the reconstruction, repair and maintenance of the interior of his Unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls (but not any Common Elements therein), interior trim, furniture, light fixtures and all appliances, whether free-standing or built-in. In the event damage to interior walls within a Co-owner's Unit or to pipes, wires, conduits, ducts or other Common Elements therein, or to any fixtures, equipment and trim which are standard items within a Unit is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 4 of this Article V. If any other interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto, and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

**Section 4. Association Responsibility for Repair.** Except as provided in Section 3 hereof, the Association shall be responsible for the reconstruction, repair and maintenance of the Common Elements. 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. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

**Section 5. Timely Reconstruction and Repair.** If damage to Common Elements or a Unit adversely affects the appearance of the Project, the Association or Co-owner responsible for the

*replaced with 1st Amendment*

*replace with 1st Amendment*  
reconstruction, repair and maintenance thereof shall proceed with replacement of the damaged property without delay, and shall complete such replacement within 6 months after the date of the occurrence which caused damage to the property.

**Section 6. Eminent Domain.** Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

(a) **Taking of Unit.** In the event of any taking of an entire Unit by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the Co-owner and his mortgagee, they shall be divested of all interest in the Condominium Project. In the event that any condemnation award shall become payable to any Co-owner whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Co-owner and his mortgagee, as their interests may appear.

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

(c) **Continuation of Condominium After Taking.** In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner.

(d) **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 shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

**Section 7. Notification of FHLMC.** In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then, upon request therefor by FHLMC, the Association shall give it 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 \$10,000 in amount or damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.



**Section 8. Priority of Mortgagee Interests.** 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 mortgagees 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 VI**

**RESTRICTIONS**

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

**Section 1. Residential Use.** Units in the Condominium shall be used for those purposes allowed under the ordinances of Shelby Township. *permitted* *changed with 1st Amendment*

**Section 2. Leasing and Rental**

(a) **Right to Lease.** A Co-owner may lease his Unit for the same purposes set forth in Section 1 of this Article VI; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (b) below. With the exception of a lender in possession of a Unit following default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Unit in the Condominium and no tenant shall be permitted to occupy except under a lease the initial term of which is at least 6 months unless specifically approved in writing by the Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer may lease any number of Units in the Condominium in its discretion without approval by the Association.

(b) **Leasing Procedures.** The leasing of Units in the Project shall conform to the following provisions:

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

(2) Tenants or nonco-owner 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.

(3) If the Association determines that the tenant or nonco-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

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

(ii) The Co-owner shall have 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.

(iii) If after 15 days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or nonco-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or nonco-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium Project and for actual legal fees incurred by the Association in connection with legal proceedings hereunder.

(4) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant. The form of lease used by any Co-owner shall explicitly contain the foregoing provisions.

**Section 3. Alterations and Modifications.** No Co-owner shall make alterations in exterior appearance or make structural modifications to his Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements, Limited or General, without the express written approval of the Board of Directors, including without limitation exterior painting or the erection of antennas, lights, aerials, awnings, doors, shutters, newspaper holders, mailboxes, basketball backboards or other exterior attachments or modifications. No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves or any element which affects an Association responsibility in any way. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access.

**Section 4. Activities.** 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. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time and disputes among Co-owners, arising as a result of this provision which cannot be amicably resolved, shall be arbitrated by the Association. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: Any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

~~Section 5. Pets. No animals, including household pets, except dog or cat which shall not exceed 40 pounds in weight, shall be maintained by any Co-owner unless specifically approved in writing by the Association. No animal may be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the Common Elements and any animal shall at all times be leashed and attended 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 brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefor. No dog which barks loudly on any frequent or continuing basis shall be kept in any Unit or on the Common Elements. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws 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 shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this Section, the Board of Directors of the Association may assess fines for such violation in accordance with these Bylaws and in accordance with duly adopted Rules and Regulations.~~

**Section 6. Aesthetics.** The Common Elements, Limited or General, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. ~~Garage doors shall be kept closed at all times except as may be reasonable necessary to gain access to or from any garage. No unsightly condition shall be maintained on any patio, porch, or deck and only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind shall be stored there and during seasons when such areas are not reasonably in use.~~ Trash receptacles shall be

maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The Common Elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. In general, no activity shall be carried on nor condition maintained by a Co-owner, either in his Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

**Section 7. Vehicles.** No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles, other than automobiles or vehicles used primarily for general personal transportation use, may be parked or stored upon the premises of the Condominium, unless parked in an area specifically designated therefor by the Association. No inoperable vehicles of any type may be brought or stored upon the Condominium Premises either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the Condominium Premises.

**Section 8. Advertising.** No signs or other advertising devices of any kind shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, without written permission from the Association and, during the Construction and Sales Period, from the Developer.

**Section 9. Rules and Regulations.** It is intended that the Board of Directors of the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Co-owners in the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. ~~Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners.~~ Any such regulation or amendment may be revoked at any time by the affirmative vote of more than 50% of the Co-owners in number and value, except that the Co-owners may not revoke any regulation or amendment prior to the First Annual Meeting of the entire Association.

**Section 10. Right of Access of Association.** The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Co-owner to provide the Association means of access to his Unit and any Limited Common Elements Appurtenant thereto during all periods of absence, and in the event of the failure of such Co-owner to provide means of

access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to his Unit and any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

**Section 11. Landscaping.** No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements without the prior written approval of the Association.

**Section 12. Common Element Maintenance.** Sidewalks, yards, landscaped areas, driveways, roads, parking areas and porches shall not be obstructed nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or other obstructions may be left unattended on or about the Common Elements.

**Section 13. Co-owner Maintenance.** 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-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, or his family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility, unless reimbursement to the Association is excluded by virtue of a deductible provision (in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount)). Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

**Section 14. Reserved Rights of Developer.**

(a) **Developer's Rights In Furtherance of Development and Sales.** None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Construction and Sales Period or of the Association in furtherance of its powers and purposes set forth herein and in the Articles of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas and 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 Developer, and may continue to do so during the entire Construction and Sales Period. Developer shall restore the areas so utilized to habitable status upon termination of use.

(b) **Enforcement of Bylaws.** The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private,

community for the benefit of the Co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by these Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws throughout the Construction and Sales Period notwithstanding that it may no longer own a Unit in the Condominium which right of enforcement may include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

## ARTICLE VII

### MORTGAGES

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

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

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

## ARTICLE VIII

### VOTING

**Section 1. Vote.** Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Condominium Unit owned when voting by number and one vote, the value of which shall equal the total of the percentages allocated to the Unit owned by such Co-owner as set forth in Article V of the Master Deed, when voting by value. Voting shall be by value except in those instances when voting is specifically required to be both in value and in number.

**Section 2. Eligibility to Vote.** No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Article XI, Section 2 of these Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII below or by a proxy given by such individual representative. The Developer shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting of members and shall be entitled to vote during such period notwithstanding the fact that the Developer may own no Units at some time or from time to time during such period. At and after the First Annual Meeting the Developer shall be entitled to vote for each Unit which it owns.

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

**Section 4. Quorum.** The presence in person or by proxy of 35% of the Co-owners in number and in value qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

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

**Section 6. Majority.** A majority, except where otherwise provided herein, shall consist of more than 50% 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 and may require such majority to be one of both number and value of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the members of the Association.

## ARTICLE IX

### MEETINGS

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

**Section 2. First Annual Meeting.** The First Annual Meeting of members of the Association may be convened only by Developer and may be called at any time after more than 50% in number of the Units in the Project (determined with reference to the recorded Consolidating Master Deed) have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than 120 days after the conveyance of legal or equitable title to nondeveloper Co-owners of 75% in number of all Units that may be created or 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, whichever first occurs. Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least 10 days' written notice thereof shall be given to each Co-owner. The phrase "Units that may be created" as used in this paragraph and elsewhere in the Condominium Documents refers to the maximum number of Units which the Developer is permitted, under the Condominium Documents as may be amended, to include in the Condominium.

**Section 3. Annual Meetings.** Annual meetings of members of the Association shall be held on the second Tuesday of April each succeeding year after the year in which the First Annual Meeting is held at such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XI of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

**Section 4. Special Meetings.** It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by 1/3 of the Co-owners presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

**Section 5. Notice of Meetings.** It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as of the time and place where it is to be held, upon each Co-owner of record,



at least 10 days but not more than 60 days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article VIII, Section 3 of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association shall be deemed due notice.

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

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

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

**Section 9. Consent of Absentees.** The transactions at any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum be present either in person or by proxy; and if, either before or after the meeting, each of the members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

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

## **ARTICLE X**

### **ADVISORY COMMITTEE**

Within 1 year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within 120 days after conveyance to purchasers of 1/3 of the total number of Units that may be created, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least 2 non-developer Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except that, if more than 50% in number and in value of the non-developer Co-owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the non-developer Co-owners and to aid the transition of control of the Association from the Developer to purchaser Co-owners. The Advisory Committee shall cease to exist automatically when the non-developer Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

## **ARTICLE XI**

### **BOARD OF DIRECTORS**

**Section 1. Number and Qualification of Directors.** The Board of Directors shall initially be comprised of 3 members and shall continue to be so comprised until enlarged to 5 members in accordance with the provisions of Section 2 hereof. Thereafter, the affairs of the Association shall be governed by a Board of 5 Directors all of whom must be members of the Association, except for the first Board of Directors, or its successors as selected by the Developer. Directors' compensation, if any, shall be set by the affirmative vote of 60% of all Co-owners. Directors of the Association who serve prior to the Transitional Control Date shall receive no compensation.

#### **Section 2. Election of Directors.**

(a) **First Board of Directors.** The first Board of Directors or its successors as

selected by the Developer, shall be composed of 3 persons and such first Board of Directors or its successors as selected by the Developer shall manage the affairs of the Association until the appointment of the first non-developer Co-owners to the Board. Immediately prior to the appointment of the first non-developer Co-owners to be Board, the Board shall be increased in size from 3 persons to 5 persons. Thereafter, elections for non-developer Co-owner Directors shall be held as provided in subsections (b) and (c) below.

(b) **Appointment of Non-developer Co-owners to Board Prior to First Annual Meeting.** Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 25% in number of the Units that may be created, 1 of the 5 Directors shall be selected by non-developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 50% in number of the Units that may be created, 2 of the 5 Directors shall be elected by non-developer Co-owners. When the required percentage levels of conveyance have been reached, the Developer shall notify the non-developer Co-owners and request that they hold a meeting and elect the required Director or Directors, as the case may be. Upon certification by the Co-owners to the Developer of the Director or Directors so elected, the Developer shall then immediately appoint such Director or Directors to the Board to serve until the First Annual Meeting of members unless he is removed pursuant to Section 7 of this Article or he resigns or becomes incapacitated.

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

(i) Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 75% in number of the Units that may be created, the non-developer Co-owners shall elect all Directors on the Board, except that the Developer shall have the right to designate at least 1 Director as long as the Units that remain to be created and sold equal at least 10% of all Units that may be created in the Project. Whenever the 75% conveyance level is achieved, a meeting of Co-owners shall be promptly convened to effectuate this provision, even if the First Annual Meeting has already occurred.

(ii) Regardless of the percentage of Units which have been conveyed, upon the elapse of 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, the non-developer Co-owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own, and the Developer has the right to elect a number of members of the Board of Directors equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (i). Application of this subsection does not require a change in the size of the Board of Directors.

(iii) If the calculation of the percentage of members of the Board of Directors that the non-developer Co-owners have the right to elect under subsection (ii), or if the product of the number of members of the Board of Directors multiplied by the percentage of Units held by the

non-developer Co-owners under subsection (b) results in a right of non-developer Co-owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-developer Co-owners have the right to elect. After application of this formula the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate 1 member as provided in subsection (i).

(iv) At the First Annual Meeting 3 Directors shall be elected for a term of 2 years and 2 Directors shall be elected for a term of 1 year. At such meeting all nominees shall stand for election as 1 slate and the 3 persons receiving the highest number of votes shall be elected for a term of 2 years and the 2 persons receiving the next highest number of votes shall be elected for a term of 1 year. At each annual meeting held thereafter, either 2 or 3 Directors shall be elected depending upon the number of Directors whose terms expire. After the First Annual Meeting, the term of office (except for 2 of the Directors elected at the First Annual Meeting) of each Director shall be 2 years. The Directors shall hold office until their successors have been elected and hold their first meeting.

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

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

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

(a) To manage and administer the affairs of and to maintain the Condominium Project and the Common Elements thereof.

(b) To collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.

(c) To carry insurance and collect and allocate the proceeds thereof.

(d) To rebuild improvements after casualty.

(e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.

(f) To acquire, maintain and improve; and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.

(g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of 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 75% of all of the members of the Association in number and in value.

(h) To make rules and regulations in accordance with Article VI, Section 9 of these Bylaws.

(i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.

(j) To enforce the provisions of the Condominium Documents.

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

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

**Section 7. Removal.** At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than 50% in number and in value of all of the Co-owners and a successor may then and there be elected to fill any vacancy thus created.

The quorum requirement for the purpose of filling such vacancy shall be the normal 35% requirement set forth in Article VIII, Section 4. Any Director whose removal has been proposed by the Co-owner shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the Directors selected by it at any time or from time to time in its sole discretion. Likewise, any Director selected by the non-developer Co-owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of Directors generally.

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

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

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

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

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

**Section 13. First Board of Directors.** The actions of the first Board of Directors of the

Association or any successors thereto selected or elected before the Transitional Control Date shall be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board of Directors as provided in the Condominium Documents.

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

## ARTICLE XII

### OFFICERS

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

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

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

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

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

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

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

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

### ARTICLE XIII

#### SEAL

The Association may (but need not) have a seal. If the Board determines that the Association shall have a seal, then it shall have inscribed thereon the name of the Association, the words "corporate seal", and "Michigan".

### ARTICLE XIV

#### FINANCE

**Section 1. Records.** The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within 90 days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

**Section 2. Fiscal Year.** The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Directors. The commencement date



of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

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

## ARTICLE XV

### INDEMNIFICATION OF OFFICERS AND DIRECTORS

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

## ARTICLE XVI

### AMENDMENTS

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

Section 2. **Meeting.** Upon any such amendment being proposed, a meeting for consideration

of the same shall be duly called in accordance with the provisions of these Bylaws.

**Section 3. Voting.** These Bylaws may be amended by the Co-owners at any regular meeting or a special meeting called for such purpose by an affirmative vote of not less than 66-2/3% of all Co-owners in number and in value. No consent of mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of 66-2/3% of mortgagees shall be required with each mortgagee to have one vote for each mortgage held.

**Section 4. By Developer.** Prior to the Transitional Control Date, these Bylaws may be amended by the Developer without approval from any other person so long as any such amendment does not materially alter or change the right of a Co-owner or mortgagee.

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

**Section 6. Binding.** A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project irrespective of whether such persons actually receive a copy of the amendment.

## ARTICLE XVII

### COMPLIANCE

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

## ARTICLE XVIII

### DEFINITIONS

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

**ARTICLE XIX**

**REMEDIES FOR DEFAULT**

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

**Section 1. Legal Action.** Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

**Section 2. Recovery of Costs.** In any proceeding arising because of an alleged default by 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.

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

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

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

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

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

**ARTICLE XXX**

**ASSESSMENT OF FINES**

**Section 1. General.** The violation by any Co-owner, occupant or guest of any of the provisions of the Condominium Documents including any duly adopted rules and regulations shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Co-owner. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of his personal actions or the actions of his family, guests, tenants or any other person admitted through such Co-owner to the Condominium Premises.

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

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

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

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

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

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

- (a) **First Violation.** No fine shall be levied.
- (b) **Second Violation.** Twenty-Five Dollar (\$25.00) fine.
- (c) **Third Violation.** Fifty Dollar (\$50.00) fine.
- (d) **Fourth Violation and Subsequent Violations.** One Hundred Dollars (\$100.00) fine.

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

#### **ARTICLE XXI**

#### **RIGHTS RESERVED TO DEVELOPER**

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its consent to the acceptance of such powers and rights and such assignee or transferee thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or retained by Developer or its successors shall expire and terminate, if not sooner assigned to the Association, at the conclusion of the Construction and Sales Period as defined in Article III of the Master Deed. The immediately preceding sentence dealing with the expiration and termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to Developer's rights to approve and control the administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination and expiration of any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby).

#### **ARTICLE XXII**

#### **SEVERABILITY**

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

## ARTICLE XXIII

### LITIGATION

Section 1. **General.** The requirements of this Article XXIII shall govern the Association's commencement and conduct of any civil action except for actions to enforce the Bylaws of the Association or collect delinquent assessments. The requirements of this Article XXIII will ensure that the members of the Association are fully informed regarding the prospects to engage in, as well as the ongoing status of any civil actions actually filed by the Association. These requirements are imposed in order to reduce both the cost of litigation and the risk of improvident litigation, and in order to avoid the waste of the Association's assets in litigation where reasonable and prudent alternatives to the litigation exist. Each member of the Association shall have standing to sue to enforce the requirements of this Article XXIII. The following procedures and requirements apply to the Association's commencement of any civil action other than in action to enforce the Bylaws of the Association or collect delinquent assessments:

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

(b) Before an attorney is engaged for purposes of filing a civil action on behalf of the Association, the Board shall call a special meeting of the members of the Association ("litigation evaluation meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to the members of the date, time and place of the litigation evaluation meeting shall be sent to all members not less than twenty (20) days before the date of the meeting and shall include the following information copied onto 8 1/2" x 11" paper:

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

(i) It is in the best interest of the Association to file a lawsuit;

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

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

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

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

- (1) The number of years the litigation attorney has practiced law; and
- (2) The name and address of every condominium and/or homeowner association for which the attorney has filed a civil action in any court, together with the case number, county and court in which each civil action was filed.
- (3) The litigation attorney's written estimate of the amount of the Association's likely recovery in the proposed lawsuit, net of legal fees, court costs, expert witness fees and all other expenses expected to be incurred in the litigation.
- (4) The litigation attorney's written estimate of the cost of the civil action through a trial on the merits of the case ("total estimated cost"). The total estimated cost of the civil action shall include the litigation attorney's expected fees, court costs, expert witness fees, and all other expenses expected to be incurred in the civil action.
- (5) The litigation attorney's proposed written fee agreement.
- (6) The amount to be specially assessed against each Unit in the Condominium to fund the estimated cost of the civil action both in total and on a monthly per Unit basis, as required by subparagraph (f) of this Article XXIII.

(c) If the lawsuit relates to the condition of any of the Common Elements, the Board shall obtain a written independent expert opinion as to reasonable and practical alternative approaches to repairing the problems with the Common Elements, which shall set forth the estimated costs and expected viability of each alternative. In obtaining the independent expert opinion required by the preceding sentence, the Board shall conduct its own investigation as to the qualifications of any expert and shall not retain any expert recommended by the litigation attorney or any other attorney with whom the Board consults. The purpose of the independent expert opinion is to avoid any potential confusion regarding the condition of the Common Elements that might be created by a report prepared as an instrument of advocacy for use in a civil action. The independent expert opinion will ensure that the members of the Association have a realistic appraisal of the condition of the Common Elements, the likely cost of repairs to the replacement of the same, and the reasonable and prudent repair and replacement alternatives. The independent expert opinion shall

be sent to all members with the written notice of the litigation evaluation meeting.

(d) The Association shall have a written fee agreement with the litigation attorney, and any other attorney retained to handle the proposed civil action. The Association shall not enter into any fee agreement that is a combination of the retained attorney's hourly rate and a contingent fee agreement unless the existence of the agreement is disclosed to the members in the text of the Association's written notice to the members of the litigation evaluation meeting.

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

(f) All legal fees incurred in pursuit of any civil action that is subject to this Article XXIII shall be paid by special assessment of the members of the Association ("litigation special assessment"). The litigation special assessment shall be approved at the litigation evaluation meeting (or at any subsequent duly called and noticed meeting) by a majority in number and in value of all members of the Association in the amount of the estimated total cost of the civil action. If the litigation attorney proposed by the Board is not retained, the litigation special assessment shall be in an amount equal to the retained attorney's estimated total cost of the civil action, as estimated by the attorney actually retained by the Association. The litigation special assessment shall be apportioned to the members in accordance with their respective percentage of the value interests in the Condominium and shall be collected from the members on a monthly basis. The total amount of the litigation special assessment shall be collected monthly over a period not to exceed twenty-four (24) months.

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

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

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

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



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

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

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

(1) The status of the litigation.

(2) The status of settlement efforts, if any.

(3) The attorney's written report.

(i) If at any time during the course of a civil action, the Board determines that the originally estimated total cost of the civil action or any revisions thereof is inaccurate, the Board shall immediately prepare a revised estimate of the total cost of the civil action. If the revised estimate exceeds the litigation special assessment previously approved by the members, the Board shall call a special meeting of the members to review the status of the litigation, and to allow the members to vote on whether to continue the civil action and increase the litigation special assessment. The meeting shall have the same quorum and voting requirements as a litigation evaluation meeting.

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

(k) This Article XXIII may be amended, altered or repealed by a vote of not less than 66-2/3% of all members of the Association.

Liber 017482 Page 00052

MACOMB COUNTY CONDOMINIUM PLAN NO. 964

EXHIBIT B TO THE MASTER DEED OF

# THE VILLAGE AT SHELBY I

CLINTON TOWNSHIP, MICHIGAN

DEVELOPER:  
24 MILE/VAN DYKE PROPERTIES, L.L.C.  
44899 CENTER COURT, SUITE 101  
CLINTON TOWNSHIP, MI 48038

SURVEYOR:  
SPALDING DEDECKER ASSOCIATES, INC.  
905 SOUTH BLVD. EAST  
ROCHESTER HILLS, MICHIGAN 48307  
PHONE: (248) 844-5400

LEGAL DESCRIPTION - THE VILLAGE AT SHELBY "I":

A PARCEL OF LAND LOCATED IN THE SOUTHEAST 1/4 OF SECTION 9, T.3N., R.12E., SHELBY TOWNSHIP, MACOMB COUNTY, MICHIGAN, BEING DESCRIBED AS PART OF LOTS 12, 13 AND 14, PART OF LOTS 21, 22 AND 23, "SUPERVISOR'S PLAT OF DISCO" (AS RECORDED IN L.17, P.12 OF PLATS, MACOMB COUNTY RECORDS) PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 9, THENCE ALONG THE SOUTH SECTION LINE (ALSO BEING THE CENTERLINE OF 24 MILE ROAD, NORTH 1/2 BEING 33' WIDE) S89°25'44"W 306.72 FEET THENCE N00°34'16"W 60.00 FEET TO THE POINT OF BEGINNING; THENCE ALONG THE NORTH RIGHT-OF-WAY LINE OF 24 MILE ROAD (PROPOSED NORTH 1/2 BEING 60' WIDE) S89°25'44"W 336.51 FEET (RECORDED AS S89°23'W); THENCE ALONG THE EAST LINE OF LOT 24 OF SAID "SUPERVISOR'S PLAT OF DISCO," N00°34'14"E 108.98 FEET; THENCE ALONG THE NORTH LINE OF SAID LOT 24, S89°25'44"W 15.29 FEET; THENCE N00°34'07"W 49.00 FEET; THENCE N89°25'53"E 30.39 FEET; THENCE N53°07'21"E 71.07 FEET; THENCE N89°25'53"E 261.34 FEET; THENCE S00°34'07"E 200.01 FEET TO THE POINT OF BEGINNING, CONTAINING 1.6108 ACRES SUBJECT TO AND TOGETHER WITH ALL EASEMENTS, EXCEPTIONS, CONDITIONS, RESERVATIONS AND RESTRICTIONS CONTAINED IN PRIOR CONVEYANCES OF RECORD OF OTHERWISE.

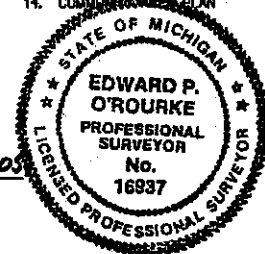
SHEET INDEX

- 1. COVER SHEET
- 2. SURVEY PLAN
- 3. SITE PLAN
- 4. UTILITY PLAN
- 5. UNIT LOCATION PLAN
- 6. TYPICAL UNIT PLAN - 100 (A)
- 7. TYPICAL UNIT PLAN - 100 (A) REVERSED
- 8. TYPICAL UNIT PLAN - 100 (B)
- 9. TYPICAL UNIT PLAN - 100 (B) REVERSED
- 10. TYPICAL UNIT PLAN - 200 (A)
- 11. TYPICAL UNIT PLAN - 200 (A) REVERSED
- 12. TYPICAL UNIT PLAN - 200 (B)
- 13. TYPICAL UNIT PLAN - 200 (B) REVERSED
- 14. COMMUNITY PLAN

*Edward P. O'Rourke* 10-7-05

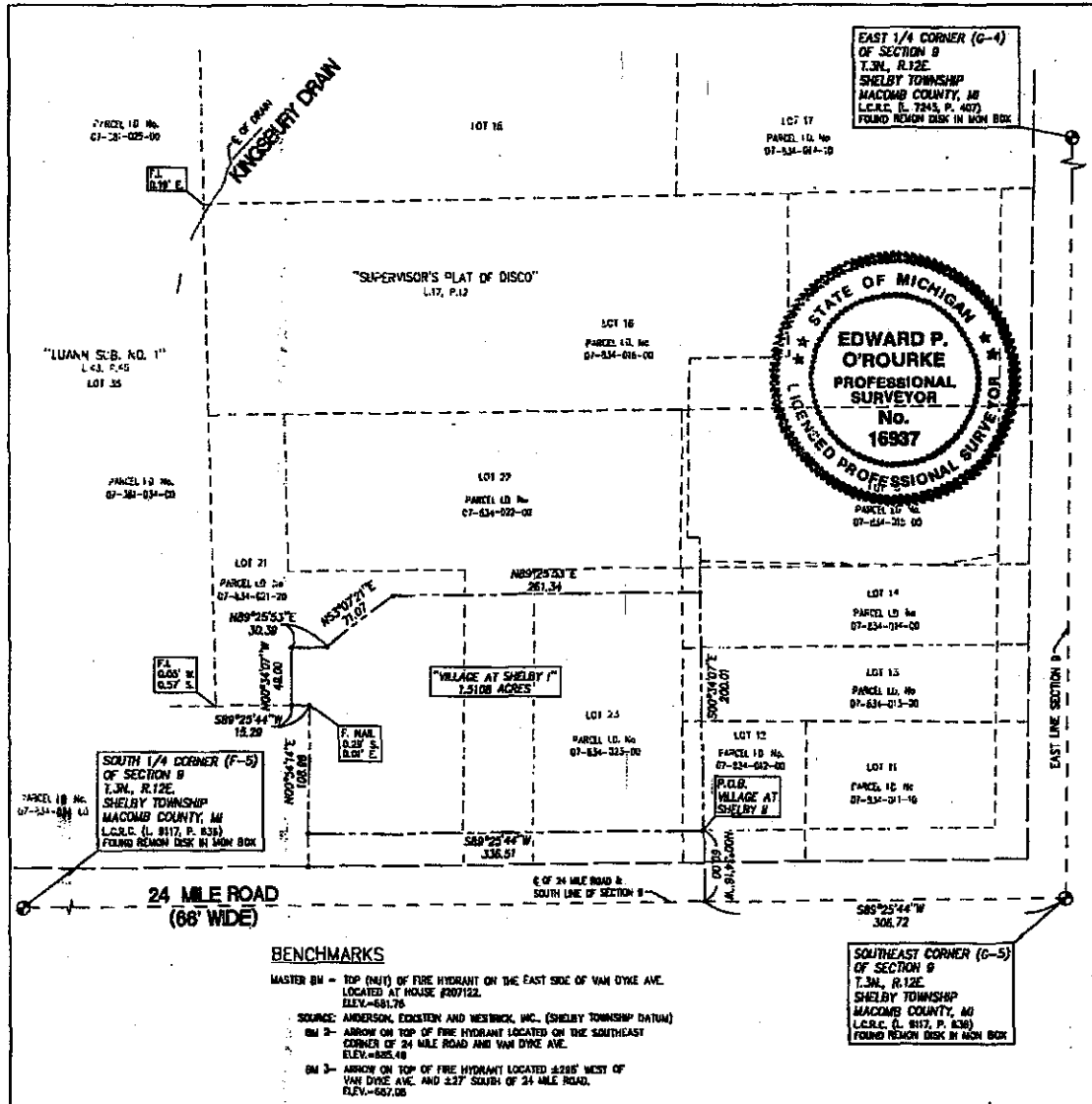
EDWARD P. O'ROURKE  
PROFESSIONAL SURVEYOR  
REGISTRATION NO. 16937  
SPALDING DEDECKER ASSOCIATES, INC.  
905 SOUTH BLVD. EAST  
ROCHESTER HILLS, MICHIGAN 48307

DATE



PROPOSED

SHEET 1 OF 14



**NOTES**

1. ALL DIMENSIONS SHOWN ARE IN FEET AND DECIMALS THEREOF.
2. THE BASIS OF BEARINGS FOR THIS SURVEY IS THE EAST LINE OF SECTION 16 (DUE NORTH) AS RECORDED IN "SUPERVISOR'S PLAT OF DISCO" (L-17, P.12 OF PLATS, MACOMB COUNTY RECORDS).
3. THE NORTH 1/4 CORNER, THE NORTHEAST CORNER AND THE EAST 1/4 CORNER OF SECTION 16, AND THE EAST 1/4 CORNER OF SECTION 9, WERE FOUND RECONSTRUCTION POINTS IN ADJACENT BLOCKS.
4. THE WEST PROPERTY LINE WAS ESTABLISHED FROM IRONS FOUND AT THE NORTHEAST CORNER OF "LUANAN SUB. NO. 1" (L-43, P.45), AT THE NORTHEAST CORNER OF LOT 16 OF "SUPERVISOR'S PLAT OF DISCO" (L-17, P.12) AND NAILS AND AN IRON FOUND AT THE EAST AND NORTH LINES OF LOT 20 OF SAID "SUPERVISOR'S PLAT OF DISCO". THE LINE WAS ESTABLISHED RESULTING IN A DISTANCE OF 707.42' (COMPARED TO A RECORD DISTANCE OF 712.35') ALONG THE NORTH LINE OF LOT 16 OF "SUPERVISOR'S PLAT OF DISCO".

**SURVEYOR'S CERTIFICATE**

I, EDWARD P. O'ROURKE, PROFESSIONAL SURVEYOR OF THE STATE OF MICHIGAN, HEREBY CERTIFY THAT THE SURVEY PLAN SHOWN AS MACOMB COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 969, AS SHOWN ON THE ACCOMPANYING DRAWINGS, REPRESENTS AN ACCURATE AND CORRECT SURVEY CONDUCTED BY SPALDING DESIGNER ASSOCIATES, INC. UNDER MY DIRECTION; THAT THERE ARE NO EXISTING PHYSICAL ENCROACHMENTS UPON THE LANDS AND PROPERTY HEREIN DESCRIBED; THAT THE REQUIRED MONUMENTS AND IRON MARKERS HAVE BEEN LOCATED IN THE GRADING AS REQUIRED BY RULES PROMULGATED UNDER SECTION 142 OF ACT NO. 88 OF THE PUBLIC ACTS OF 1976; THAT THE ACCURACY OF THIS SURVEY IS WITHIN THE LIMITS REQUIRED BY THE RULES PROMULGATED UNDER SECTION 142 OF ACT NO. 88 OF THE PUBLIC ACTS OF 1976; THAT THE BEARINGS, AS SHOWN, ARE NOTED ON SURVEY PLAN AS REQUIRED BY THE RULES PROMULGATED UNDER SECTION 142 OF ACT NO. 88 OF THE PUBLIC ACTS OF 1976.

*Edward P. O'Rourke* 10-17-05  
 EDWARD P. O'ROURKE DATE  
 PROFESSIONAL SURVEYOR  
 REGISTRATION NO. 16037  
 SPALDING DESIGNER ASSOCIATES, INC.  
 905 SOUTH BLDG. EAST  
 ROCHESTER HILLS, MICHIGAN 48067

**BENCHMARKS**

MASTER BM - TOP (NUT) OF FIRE HYDRANT ON THE EAST SIDE OF VAN DYKE AVE. LOCATED AT HOUSE #207122. ELEV.=681.76

SOURCE: ANDERSON, ECKSTEN AND WERNICK, INC. (SHELBY TOWNSHIP DATUM)

BM 1 - ARROW ON TOP OF FIRE HYDRANT LOCATED ON THE SOUTHEAST CORNER OF 24 MILE ROAD AND VAN DYKE AVE. ELEV.=685.48

BM 2 - ARROW ON TOP OF FIRE HYDRANT LOCATED 228' WEST OF VAN DYKE AVE. AND 2.37' SOUTH OF 24 MILE ROAD. ELEV.=687.06

**SEAL**

STATE OF MICHIGAN  
 EDWARD P. O'ROURKE  
 PROFESSIONAL SURVEYOR  
 No. 16937  
 LICENSED PROFESSIONAL SURVEYOR

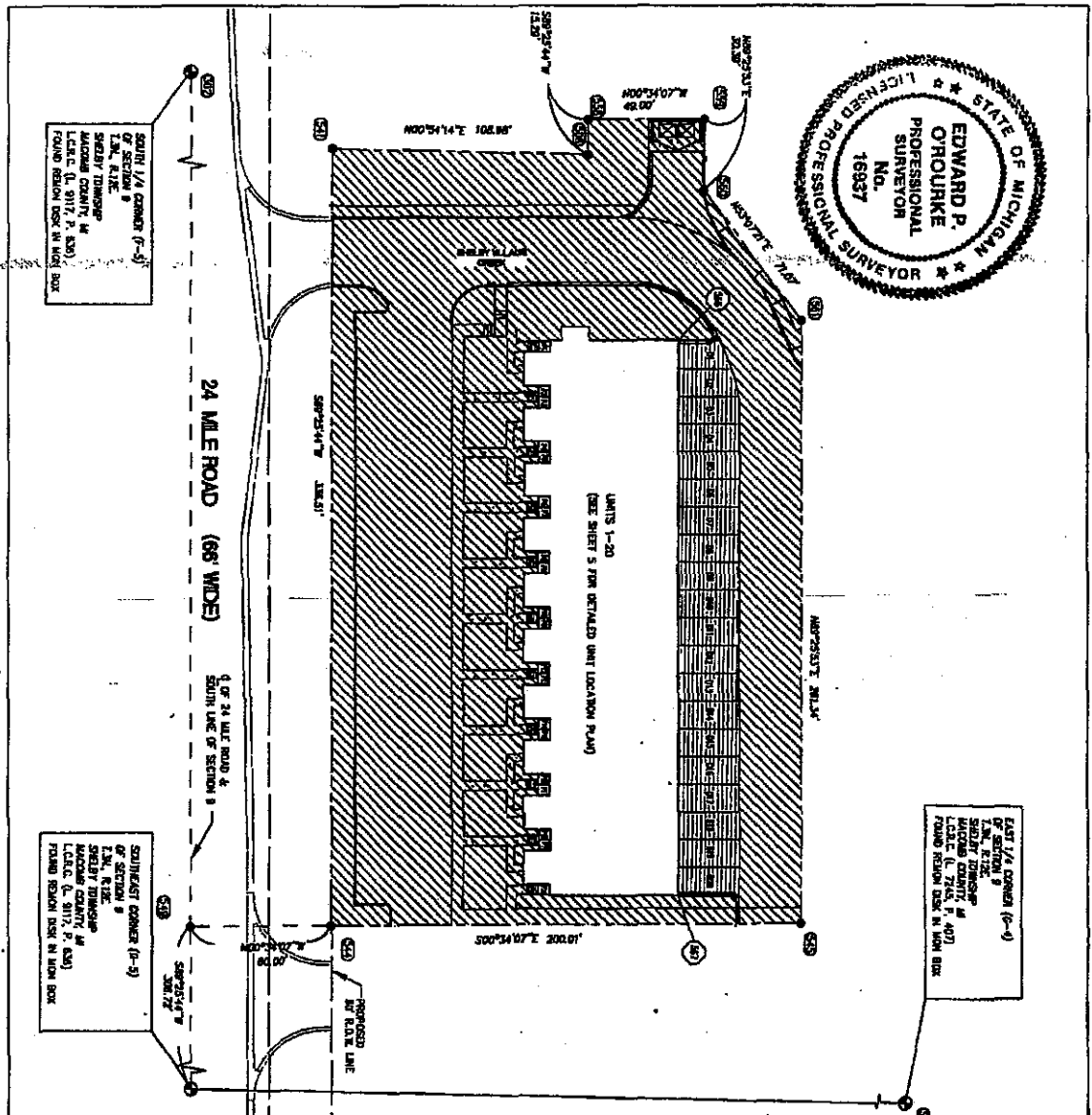
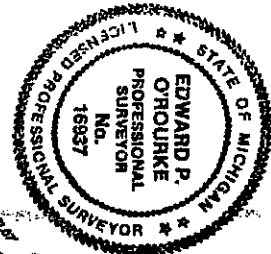
**LOCATION MAP**  
 NO SCALE

**SCALE** 1" = 40'

0 40 80

PROPOSED

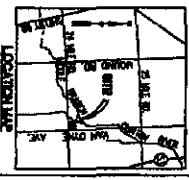
SHEET 2 OF 14



SOUTH 1/4 CORNER (P-4)  
OF SECTION 9  
T.4N. R.1E.  
SHELBY TOWNSHIP  
MADISON COUNTY, MI  
L.C.A.C. (L. 3117, P. 630)  
FOUND REASON DISK IN IRON BOX

EAST 1/4 CORNER (P-4)  
OF SECTION 9  
T.4N. R.1E.  
SHELBY TOWNSHIP  
MADISON COUNTY, MI  
L.C.A.C. (L. 3117, P. 630)  
FOUND REASON DISK IN IRON BOX

SOUTHWEST CORNER (P-3)  
OF SECTION 9  
T.4N. R.1E.  
SHELBY TOWNSHIP  
MADISON COUNTY, MI  
L.C.A.C. (L. 3117, P. 630)  
FOUND REASON DISK IN IRON BOX



- LEGEND**
- CONCRETE MONUMENT
  - CONDOMINIUM BOUNDARY
  - ▨ LIMITED COMMON ELEMENT (LCE)
  - ▩ GENERAL COMMON ELEMENT (GCE)
  - ① PROPERTY CORNER
  - ② COORDINATE CORNER
  - ③ BUILDING CORNER
  - ④ COORDINATE LOCATION
  - ⑤ INDICATES UNIT NUMBER
  - ⑥ INDICATES UNIT GARAGE (UG)
  - ⑦ INDICATES UNIT DRIVEWAY (UD)
  - ⑧ INDICATES UNIT GARAGE (UG)
  - (A) RESERVED OVERSEER
  - P INDICATES UNIT PORCH (UP)

**SCHEDULE OF BUILDING CONSTRUCTION**

NO.	DESCRIPTION	DATE
1	FOUNDATION	10-15-05
2	CONCRETE SLAB	10-15-05
3	FRAMING	10-15-05
4	ROOFING	10-15-05
5	MECHANICAL	10-15-05
6	ELECTRICAL	10-15-05
7	PLUMBING	10-15-05
8	PAINTING	10-15-05
9	LANDSCAPING	10-15-05
10	FINAL INSPECTION	10-15-05

**SCHEDULE OF FINANCING**

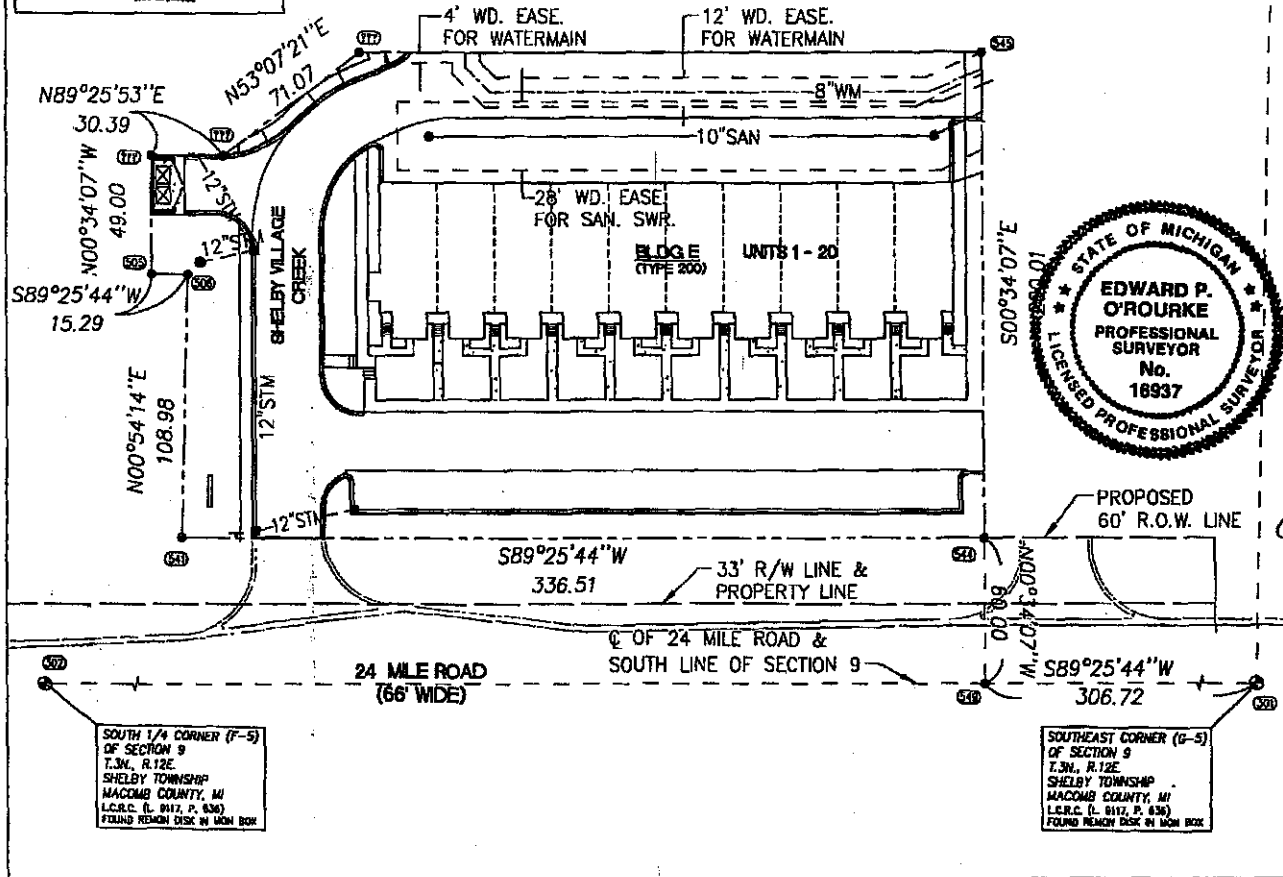
NO.	DESCRIPTION	DATE
1	FOUNDATION	10-15-05
2	CONCRETE SLAB	10-15-05
3	FRAMING	10-15-05
4	ROOFING	10-15-05
5	MECHANICAL	10-15-05
6	ELECTRICAL	10-15-05
7	PLUMBING	10-15-05
8	PAINTING	10-15-05
9	LANDSCAPING	10-15-05
10	FINAL INSPECTION	10-15-05

*Edward P. O'Rourke*  
 EDWARD P. O'ROURKE  
 PROFESSIONAL SURVEYOR  
 REGISTRATION NO. 16937  
 24 MILE ROAD, SHELBY TOWNSHIP  
 MADISON COUNTY, MI 48068  
 DATE: 10-15-05

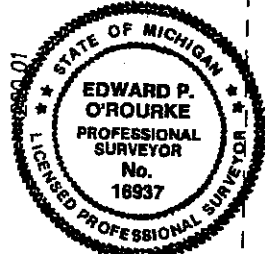
**SITE PLAN**  
**VILLAGE AT SHELBY I**



UTILITY LEGEND	
	WATERMAIN
	SANITARY
	STORM SEWER
	GAS, ELECTRIC, PHONE, CABLE
	CONDO. SUB. BOUNDARY
	GATE VALVE & WELL
	HYDRANT
	STORM MANHOLE
	CATCH BASIN
	RALET
	END SECTION
	SAV MANHOLE



EAST 1/4 CORNER (G-4)  
OF SECTION 9  
T.3N., R.12E.  
SHELBY TOWNSHIP  
MACOMB COUNTY, MI  
L.C.R.C. (L. 7245, P. 407)  
FOUND REMAIN DISK IN MON BOX

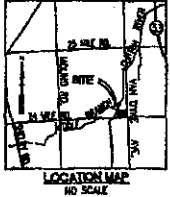


*Edward P. O'Rourke* 10-17-05  
DATE

EDWARD P. O'ROURKE  
PROFESSIONAL SURVEYOR  
REGISTRATION NO. 18937  
SPALDING ENGINEER ASSOCIATES, INC.  
305 SOUTH BLVD. EAST  
HOUGHTON HILLS, MICHIGAN 48070

SOUTH 1/4 CORNER (F-5)  
OF SECTION 9  
T.3N., R.12E.  
SHELBY TOWNSHIP  
MACOMB COUNTY, MI  
L.C.R.C. (L. 8117, P. 430)  
FOUND REMAIN DISK IN MON BOX

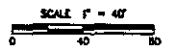
SOUTHEAST CORNER (G-5)  
OF SECTION 9  
T.3N., R.12E.  
SHELBY TOWNSHIP  
MACOMB COUNTY, MI  
L.C.R.C. (L. 8117, P. 430)  
FOUND REMAIN DISK IN MON BOX



NOTES

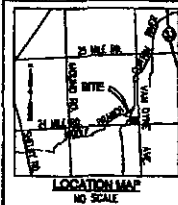
- ALL UNITS TO BE SERVICED WITH SANITARY SEWER AND WATER BY SHELBY TOWNSHIP.
- ALL UNITS TO BE SERVICED WITH GAS, ELECTRIC AND TELEPHONE.
- GAS, ELECTRIC, AND TELEPHONE LINES ARE NOT SHOWN ON THIS DRAWING.
- GAS, ELECTRIC, AND TELEPHONE LINES WILL BE SHOWN ON AS-BUILT PLANS.
- EXISTING UTILITIES, AS SHOWN, INDICATE APPROX. LOCATIONS OF FACILITIES ONLY, AS DISCLOSED BY THE RECORDS OF THE VARIOUS UTILITY COMPANIES AND NO GUARANTEE IS GIVEN AS TO THE COMPLETENESS OR ACCURACY THEREOF.
- UTILITY MAINS TO SERVICE ALL UNITS MUST BE BUILT. INDIVIDUAL UNIT LEADS NEED NOT BE BUILT. ALL EASEMENTS ARE PRIVATE EASEMENTS FOR PUBLIC UTILITIES AND SURFACE DRAINAGE, AND ALSO FOR THE USES SHOWN AND NOTED ON THE DRAWINGS.

UTILITY PLAN  
VILLAGE AT SHELBY I

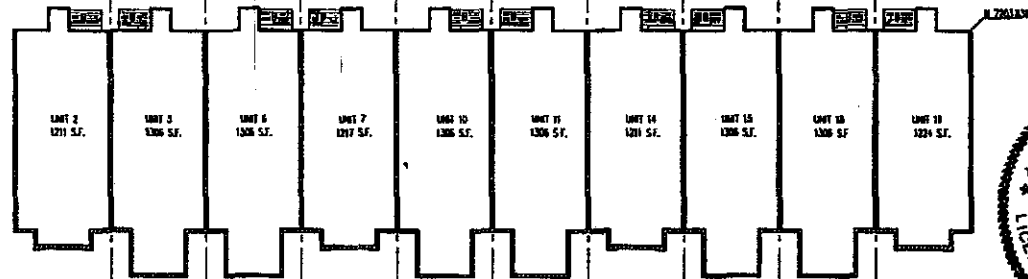


Engineering & Surveying License  
Since 1964

PROPOSED



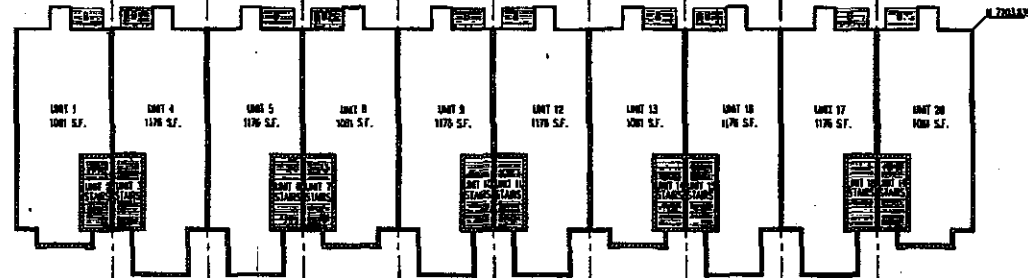
THIRD FLOOR



- LEGEND
- CONDOMINIUM BOUNDARY
  - LIMITED COMMON ELEMENT (LCE)
  - GENERAL COMMON ELEMENT (GCE)
  - INDICATES UNIT PORCH (LCE)
  - INDICATES UNIT BALCONY (LCE)
  - PROPERTY CORNER COORDINATE LOCATION



SECOND FLOOR

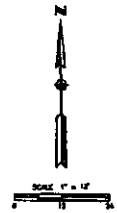
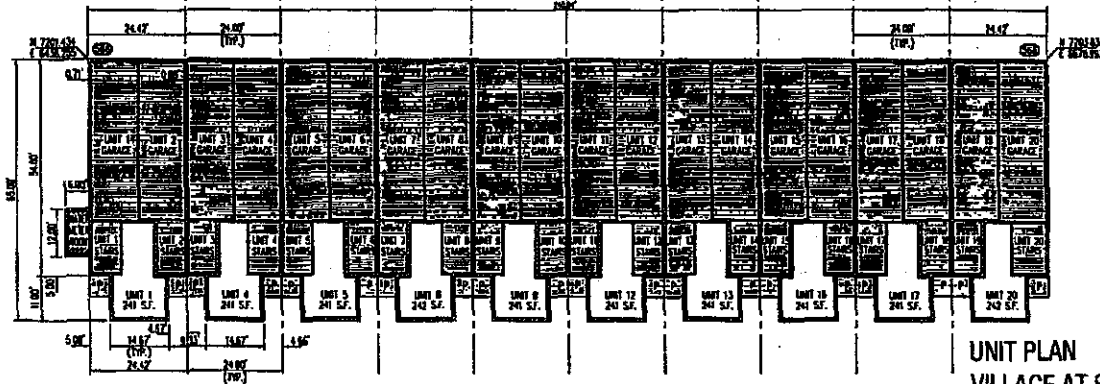


*Edward P. O'Rourke*  
 10-17-05  
 EDWARD P. O'ROURKE  
 PROFESSIONAL SURVEYOR  
 REGISTRATION NO. 16937  
 SPALDING DUBECKER ASSOCIATES, INC.  
 906 SOUTH BLVD. EAST  
 ROCHESTER HILLS, MICHIGAN 48307

UNIT AREA TABLE

UNIT NO.	SQUARE FEET
1	1323
2	1417
3	1417
4	1306
5	1306
6	1323
7	1211
8	1306
9	1306
10	1306
11	1306
12	1417
13	1323
14	1211
15	1306
16	1306
17	1417
18	1306
19	1211
20	1323

FIRST FLOOR



UNIT PLAN  
 VILLAGE AT SHELBY I



PROPOSED 1-0-2005





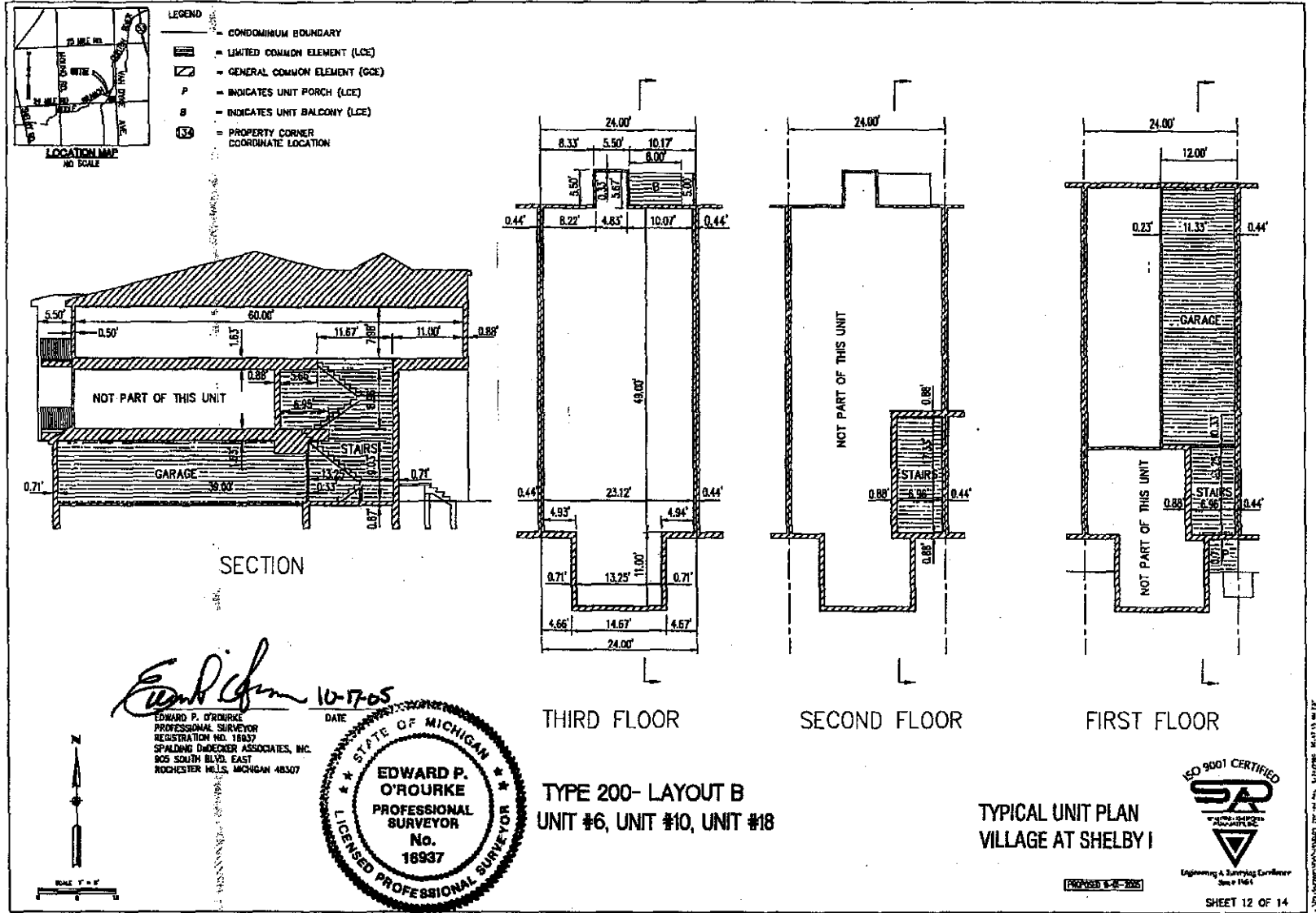




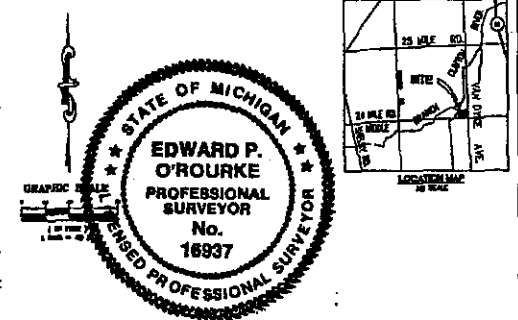
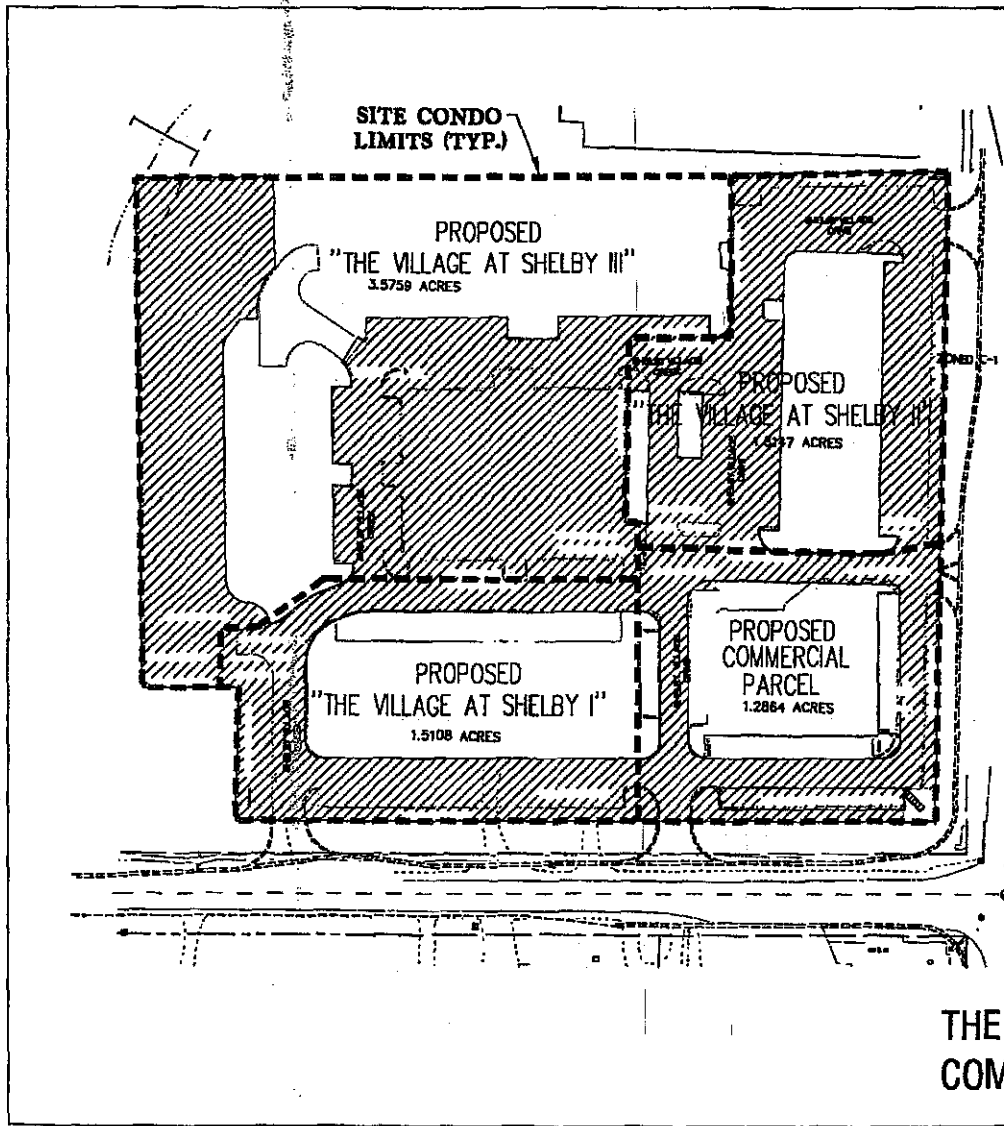















-  COMMUNITY AREA
-  NON-COMMUNITY AREA
-  DENOTES BOUNDARY OF INDIVIDUAL PARCELS

NOTE: THE COMMUNITY AREAS SET FORTH HEREON ARE MORE PARTICULARLY DESCRIBED IN, AND SUBJECT TO A CERTAIN DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTIONS, FOR THE VILLAGE AT SHELBY MASTER COMMUNITY, RECORDED IN LIBER 14481, PAGE 892-918 MACOMB COUNTY RECORDS.

*Edward P. O'Rourke* 10-17-05  
 EDWARD P. O'ROURKE DATE  
 PROFESSIONAL SURVEYOR  
 REGISTRATION NO. 16937

SPALDING DUECKER ASSOCIATES, INC.  
 805 SOUTH BLVD. EAST  
 ROCHESTER HILLS, MICHIGAN 48307



Engineering & Surveying Excellence Since 1854

ENGINEER  
 SPALDING DUECKER ASSOC., INC.  
 805 SOUTH BOULEVARD EAST  
 ROCHESTER HILLS, MICHIGAN 48307  
 PHONE: (248) 844-3400

DEVELOPER  
 24 MILE/VAN DYKE PROPERTIES, L.L.C.  
 14009 CEDAR CRYST  
 CLINTON TOWNSHIP, MI 48038

THE VILLAGE AT SHELBY  
 COMMUNITY AREA PLAN

6002188

LIBER 17481 PAGE 892



01/05/2006 11:28:44 A.M.

MACOMB COUNTY, MI

CARMELLA SABAUGH, REGISTER OF DEEDS

SEAL

**DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE VILLAGE AT SHELBY MASTER COMMUNITY**

This Declaration is executed on the 19th day of December 2005, by 24 Mile/Van Dyke Properties, L.L.C. ("Declarant"), a Michigan limited liability company, whose address is 44899 Centre Court, Suite 101, Clinton Township, Michigan 48038.

**RECITALS**

A. Declarant is fee simple owner of a certain parcel of land located in Shelby Township, Macomb County, Michigan, to be developed as The Village at Shelby I, a proposed condominium project, as is more particularly described on Exhibit A attached hereto and made a part hereof (the "Village I Parcel").

B. Declarant is fee simple owner of a certain parcel of land located in Shelby Township, Macomb County, Michigan, to be developed as The Village at Shelby II, a proposed condominium project, as is more particularly described on Exhibit A attached hereto and made a part hereof (the "Village II Parcel").

C. Declarant is fee simple owner of a certain parcel of land located in Shelby Township, Macomb County, Michigan, to be developed as The Village at Shelby III, a proposed condominium project, as is more particularly described on Exhibit A attached hereto and made a part hereof (the "Village III Parcel").

D. Declarant is fee simple owner of a certain parcel of land located in Shelby Township, Macomb County, Michigan, to be developed as commercial development, as is more particularly described on Exhibit A attached hereto and made a part hereof (the "Commercial Parcel").

E. Declarant intends to establish the Village I Parcel, Village II Parcel, Village III Parcel and Commercial Parcel (collectively "The Village at Shelby Master Community"), as a planned community.

D. The Village at Shelby Master Community is presently intended by Declarant to be developed as one or more condominium projects, platted subdivisions or other forms of real estate development. Certain portions of The Village at Shelby Master Community are presently intended by Declarant to be dedicated to common use for the benefit of all the owners in The Village at

27

27 PGS  
27-



Shelby Community.

E. The Community Areas, as hereinafter defined, will consist in the first instance of those areas more particularly described in Article I, Section 2 hereof.

F. Declarant desires to extend to the owners of all properties within The Village at Shelby Master Community the right to utilize and benefit from the Community Areas and to provide a permanent method for the support and upkeep of the Community Areas.

G. Declarant further desires to provide for the continuing attractiveness of The Village at Shelby Master Community.

H. Declarant further desires to make provision for a variety of easements, restrictions and regulations to facilitate the effective development, construction, marketing and operation of The Village at Shelby Master Community.

NOW, THEREFORE, Declarant hereby declares The Village at Shelby Master Community shall be held, sold, conveyed, mortgaged and interests herein transferred subject to the following easements, restrictions, covenants and conditions, which are for the purposes set forth above and for the purposes of protecting the value and desirability of The Village at Shelby Master Community and which shall run with The Village at Shelby Master Community and be binding on all persons having any right, title or interest in The Village at Shelby Master Community or any part thereof, their heirs, successors and assigns and shall inure to the benefit of each owner thereof.

## ARTICLE I

### DEFINITIONS

Section 1. **Assessment Unit.** "Assessment Unit" shall mean (i) any residential condominium unit, as defined in Act 59 of Michigan Public Acts of 1978, as amended, and (ii) the parcel split with comprises Commercial Parcel, in either case, developed within and incorporated into The Village at Shelby Master Community under this Declaration or any subsequent amendment hereto by Declarant. Declarant shall have the authority to amend the definition of Assessment Unit to include any other forms of real estate development which may be subsequently included in The Village at Shelby Master Community.

Section 2. **Community Areas.** "Community Areas" shall mean all the real property now or hereafter dedicated and declared by Declarant for the common use and enjoyment of all of the owners of property in The Village at Shelby Master Community, including, without limitation certain entrance improvements, landscaping, roads, walking paths, sidewalks, private storm sewers, storm water easements and retention basin, and common open space areas, if any, as described on Exhibit B and depicted on Exhibit C attached hereto. No area shown or indicated on any plan of any portion of The Village at Shelby Master Community shall be considered as a Community Area unless and until it has been dedicated and declared by Declarant for the common use and enjoyment

of the owners in The Village at Shelby Master Community by a recorded instrument executed by Declarant. Declarant may, in its sole discretion, in the future add additional Community Areas to this Declaration. The size, design, location, and other physical attributes of any Community Areas shall be within the sole discretion and control of the Declarant.

**Section 3. Declarant.** "Declarant" shall mean and refer collectively to 24 Mile/ Van Dyke Properties, L.L.C., a Michigan limited liability company, and its successors and assigns.

**Section 4. Owner.** "Owner" shall mean and refer to the (a) record owner, whether one or more persons or entities; of fee simple title (or in the case of any property which is the subject of a validly existing land contract, the land contract vendee) to any Condominium Unit or Parcel Split, which is within The Village at Shelby Master Community, or (b) one or more persons or entities entitled, from time to time, to the use and occupancy of any portion of The Village at Shelby Master Community under any lease, license or concession agreement or other instrument or arrangement under which the occupant acquires its right to such use and occupancy during the term of such use and occupancy. In the event that an Owner's consent is required hereunder relative to the Commercial Parcel or any portion of the Commercial Parcel, and such parcel is occupied under the terms of a lease, the consent of the lessee shall also be required hereunder. One holding any interest merely as security for the performance of an obligation shall not be deemed an owner.

**Section 5. Owners' Associations.** "Owners' Associations" shall mean the non-profit corporations of individual condominium project owners (and individual subdivision project owners if any platted subdivisions are included in the Declaration) within The Village at Shelby Master Community.

## ARTICLE II

### ESTABLISHMENT AND OPERATION OF THE ASSOCIATION

**Section 1. The Village at Shelby Master Community Association.** A Michigan non-profit corporation known as The Village at Shelby Master Community Association (the "Association") will be established by Declarant pursuant to Articles of Incorporation and Bylaws. The general purpose of this Declaration is to provide a mechanism for the use, maintenance, repair and replacement of the Community Areas by The Village at Shelby Master Community Association. The Association is to encourage and to promote the highest standards of management and maintenance for the land included in The Village at Shelby Master Community, and to assist the members of the Association in maintaining The Village at Shelby Master Community as a development of the highest quality. In furtherance of such purposes, the Association shall have such power and authority as are conferred upon it in its Articles of Incorporation and by this Declaration. Its Board of Directors shall be vested with and shall exercise all powers and authorities thus conferred upon it.

**Section 2. Membership in the Association.** There shall be two classes of membership in the Association as established in its Articles of Incorporation. The Declarant shall be the "Class A" member; and each Owner of an Assessment Unit shall be a "Class B" member (which shall include

Declarant as to any Assessment Unit owned by any entity comprising Declarant).

Section 3. **Voting.** Membership in the Association shall be established in the manner set forth in its Articles of Incorporation. Voting by members of the Association shall be in accordance with the following provisions:

a. Prior to the conveyance or lease by Declarant to individual purchase owners of 95% of all Assessment Units (or at such earlier date as may be determined in Declarant's sole discretion) planned to be constructed in The Village at Shelby Master Community and any expansion thereof, as is determined by the site plan approved by the Township, as the same may be amended from time to time, for The Village at Shelby Master Community and any expansion thereof, no member, other than the Class A member, shall be entitled to vote. Until such time, Declarant shall be solely entitled to appoint the Board of Directors of and vote in the Association. At and after the conveyance of 95% of the Assessment Units as set forth above, each member of the Association shall be entitled to vote in accordance with Paragraph b of this Section 3.

b. At and after the conveyance of 95% of the Assessment Units (or at such earlier date as may be determined in Declarant's sole discretion) as set forth above, each Class B member shall be entitled to one (1) vote for each Assessment Unit. The value of each vote shall be based on the relative floor space (excluding basement areas) of each Assessment Unit.

c. The presence in person or by proxy of members representing at least sixty (60%) percent in number of the Assessment Units qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required herein, or in the Articles of Incorporation or Bylaws of the Association, to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

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

e. A majority, except where otherwise provided herein or in the Articles of Incorporation or Bylaws of the Association, shall consist of the votes of more than fifty (50%) percent of the Assessment Units qualified to vote and voted by members of the Association in person or by proxy (or written vote if applicable) at a given meeting of the members of the Association. A majority, as set forth in the preceding sentence, shall be required for all matters and shall control unless a greater percentage is specifically required herein or in the Articles of Incorporation or Bylaws of the Association as to specific matters.

f. Other provisions as to voting by members, not inconsistent with the provisions herein contained, may be set forth in the Articles of Incorporation or Bylaws of the Association.

**Section 4. Litigation.** The requirements of this Article II, Section 4, shall govern the Association's commencement and conduct of any civil action, except for actions to enforce the Bylaws of the Association or collect delinquent assessments. The requirements of this Article II, Section 4, will ensure that the members of the Association are fully informed regarding the prospects of engaging in, as well as the ongoing status of any civil actions actually filed by the Association. These requirements are imposed in order to reduce both the cost of litigation and the risk of improvident litigation, and in order to avoid the waste of the Association's assets in litigation where reasonable and prudent alternatives to the litigation exist. Each member of the Association shall have standing to sue to enforce the requirements of this Article II, Section 4. The following procedures and requirements apply to the Association's commencement of any civil action other than an action to enforce the Bylaws of the Association or collect delinquent assessments:

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

b. Before an attorney is engaged for purposes of filing a civil action on behalf of the Association, the Board shall call a special meeting of the members of the Association ("litigation evaluation meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to the members of the date, time and place of the litigation evaluation meeting shall be sent to all members not less than twenty (20) days before the date of the meeting and shall include the following information copied onto 8 1/2" x 11" paper, and such other information as is required to be provided under this Article II, Section 4:

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

(i) It is in the best interest of the Association to file a lawsuit;

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

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

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

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

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

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

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

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

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

(vi) The amount to be specially assessed against each Assessment Unit to fund the estimated cost of the civil action both in total and on a monthly per Assessment Unit basis, as required by subparagraph (f) of this Article II, Section 4.

c. If the lawsuit relates to the condition of any of the Community Areas, the Board shall obtain a written independent expert opinion as to reasonable and practical alternative approaches to repairing the problems with the Community Areas, which shall set forth the estimated costs and expected viability of each alternative. In obtaining the independent expert opinion required by the preceding sentence, the Board shall conduct its own investigation as to the qualifications of any expert and shall not retain any expert recommended by the litigation attorney or any other attorney with whom the Board consults. The purpose of the independent expert opinion is to avoid any potential confusion regarding the condition of the Community Areas that might be created by a report prepared as an instrument of advocacy for use in a civil action. The independent expert opinion will ensure that the members of the Association have a realistic appraisal of the condition of the Community Areas, the likely cost of repairs to the replacement of the same, and the reasonable and prudent repair and replacement alternatives. The independent expert opinion shall be sent to all members with the written notice of the litigation evaluation meeting.

d. The Association shall have a written fee agreement with the litigation attorney, and any other attorney retained to handle the proposed civil action. The Association shall not enter into any fee agreement that is a combination of the retained attorney's hourly rate and a contingent fee agreement unless the existence of the agreement is disclosed to the members in the text of the Association's written notice to the members of the litigation evaluation meeting and the majority of members have voted in favor of such a fee agreement.

e. At the litigation evaluation meeting the members shall vote on whether to authorize the Board to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the Association (other than a suit to enforce the Association Bylaws or collect delinquent assessments) shall require the approval by two-thirds of all members of the Association. Any proxies to be voted at the litigation

evaluation meeting must be signed at least seven (7) days prior to the litigation evaluation meeting.

f. All legal fees incurred in pursuit of any civil action that is subject to this Article II, Section 4, shall be paid by special assessment of the members of the Association (a "litigation special assessment"). Any litigation special assessment, in the amount of the estimated total cost of the civil action, shall be approved at the litigation evaluation meeting (or at any subsequent duly called and noticed meeting) by two-thirds of all members of the Association. If the litigation attorney proposed by the Board is not retained, the litigation special assessment shall be in an amount equal to the retained attorney's estimated total cost of the civil action, as estimated by the attorney actually retained by the Association. The litigation special assessment shall be apportioned to the members equally and shall be collected from the members on a monthly basis. The total amount of the litigation special assessment shall be collected monthly over a period not to exceed twenty-four (24) months.

g. During the course of any civil action authorized by the members pursuant to this Article II, Section 4, the retained attorney shall submit a written report ("attorney's written report") to the Board and each of the Members of the Association every thirty (30) days setting forth:

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

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

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

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

(5) An updated estimate of the total cost of the civil action.

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

(1) The status of the litigation.

(2) The status of settlement efforts, if any.

(3) The attorney's written report.

i. If at any time during the course of a civil action, the Board determines that the originally estimated total cost of the civil action or any revisions thereof is inaccurate, the Board

shall immediately prepare a revised estimate of the total cost of the civil action. If the revised estimate exceeds the litigation special assessment previously approved by the members, the Board shall call a special meeting of the members to review the status of the litigation, and to allow the members to vote on whether to continue the civil action and increase the litigation special assessment or to discontinue the civil action. The meeting shall have the same quorum and voting requirements as a litigation evaluation meeting.

j. The litigation expenses shall be fully disclosed to members in the Association's annual budget. The litigation expenses for each civil action subject to this Article II, Section 4, shall be listed as a separate line item captioned "litigation expenses" in the Association's annual budget.

k. This Article II, Section 4, may be amended, altered or repealed by a vote of not less than 75% of all members of the Association.

### ARTICLE III

#### COMMUNITY AREAS AND EASEMENTS RELATED THERETO

**Section 1. Nature and Extent of Community Areas.** In addition to the Community Areas more particularly described in Article II, Section 2 hereof, Declarant may declare, dedicate and designate such additional Community Areas as Declarant, in its sole discretion, deems appropriate, whether of an aesthetic, utilitarian, administrative or other nature. Notwithstanding the foregoing, there shall be no such declaration, dedication or designation of Community Areas if located on lands within The Village at Shelby Master Community without the prior written consent of the Owner of the Commercial Parcel, which consent shall not be unreasonably withheld. There is no obligation on the part of Declarant to create, construct, establish, declare, dedicate or designate any particular additional area or additional improvement as a Community Area unless it has specifically undertaken to do so in this Declaration or in a subsequent recorded instrument. Further, any Community Area may later be included within a condominium project, parcel split, or platted subdivision, if any, without changing its status as a Community Area under this Declaration. The size, design, location and other attributes of all Community Areas and buildings and improvements located therein shall be within the sole control and discretion of the Declarant.

**Section 2. Owners' Easements of Enjoyment of Community Areas.** Every Owner, its tenants, invitees, employees, and contractors, in common with every other Owner, its tenants, invitees, employees and contractors shall have an easement of enjoyment for the purposes set forth in Article III, Section 4, in and to the Community Areas now existing or hereafter designated by the Declarant, which right and easement shall be appurtenant to such ownership, subject to the following:

a. The right of the Association to make and enforce reasonable rules and regulations, pursuant to Article V, Section 2 hereof, to carry out the terms of this Declaration and to fulfill its purposes.

b. The right of the Association to charge fees for the maintenance and insurance of the Community Areas pursuant to Article IV hereof, which fees shall be utilized solely for the maintenance, upkeep, insurance and administration of the Community Areas.

c. The right of the Association to construct, maintain and improve the Community Areas pursuant to Article IV, sections 9, 10 and 11 (and levy assessments to cover such costs) for the benefit of the Owners and to permit the use thereof by other persons, subject to the approval of all applicable governmental authorities

d. The right of Declarant, at any time within two years after completion of construction of The Village at Shelby Master Community and the conveyance of all Assessment Units therein (and the Association thereafter), to grant easements, licenses, rights-of-entry and rights-of-way over, under and across the portions of the Community Areas that are intended for such purposes for utility, access, or other lawful purposes as may be necessary for the general welfare of The Village at Shelby Master Community provided such additional grants do not materially or adversely disrupt the orderly development and/or operation of the business conducted by an Owner of the Commercial Parcel or overburden and of the existing easements.

e. Nothing in this Declaration shall be construed or deemed to convey any rights to an Owner, its tenants, invitees, employees or contractors, other than the Owner of the Commercial Parcel, its tenants, invitees, employees or contractors, that would permit parking on the Commercial Parcel.

### Section 3. Utility and Road Easements.

a. The Declarant does hereby declare and grant perpetual easements for the benefit of itself and all future Owners from time to time in The Village at Shelby Master Community and the respective successors and assigns of each and the agents, employees, tenants and invitees of each for the use, enjoyment, operation, maintenance, repair and replacement of the water, sanitary sewer, storm sewers, if any, the natural gas, telephone, telecommunications, and electric power mains and leads located within The Village at Shelby Master Community. Said easements shall extend five feet on either side of said mains as installed but in no event located within any existing or proposed building areas. Notwithstanding the foregoing, the width of the easements created herein may be increased to satisfy requirements of governmental agencies and/or utility companies, private or public but in no event located within any existing or proposed building areas. The Association shall be responsible for the maintenance, upkeep, repair and replacement of the above-described utility mains and payment of the foregoing expenses are to be so paid and shared pursuant to Article IV only if such expenses are not borne by a governmental agency or public utility.

b. Declarant also hereby reserves for the benefit of itself, its successors and assigns, perpetual easements to utilize, tap, tie into, extend and enlarge all utility mains located in The Village at Shelby Master Community, including but not limited to, water, sanitary sewer, gas, electric, telephone, telecommunications, storm sewer, subject to the prior approval of all governmental authorities and public utilities having jurisdiction, for the benefit of parcels of land not within The Village at Shelby Master Community. In the event Declarant taps, ties into, extends



or enlarges any utilities located in The Village at Shelby Master Community, it shall be responsible for the costs of any required upgrades and for all the expenses reasonably necessary to restore the affected portion of The Village at Shelby Master Community to its condition immediately prior to such tapping, tying-in, extension or enlargement.

c. Declarant shall also be empowered to grant such easements, licenses, rights-of-entry and rights-of-way, under and across the Community Areas but in no event located within any existing or proposed building areas to any public authorities or private utilities, as may be necessary for it to fulfill any responsibilities of construction, maintenance, repair, decoration or replacement of any of the utilities, including without limitation sanitary and storm sewer systems, servicing The Village at Shelby Master Community.

d. Easements for ingress and egress are hereby granted to each Owner over all of the roads and walkways within The Village at Shelby Master Community.

**Section 4. Sign Easements.** Declarant reserves for the benefit of itself, its successors and assigns, the right to grant easements over any Community Areas for the purpose of installation and continued maintenance of signs (including but not limited to landscaping, irrigation and lighting of such areas) identifying developments which are located on property adjacent to The Village at Shelby Master Community Association. The maintenance of such sign easements shall be in accordance with applicable laws and shall be the responsibility of the development granted such easement. The provisions of this Section shall be inapplicable to the Community Areas located on the Commercial Parcel.

**Section 5: Sales Signs.** Declarant reserves for the benefit of itself, its successors and assigns, an easement to construct and maintain on the Community Areas signs advertising the developments within The Village at Shelby Master Community. Declarant also reserves an easement over the Community Areas for the purpose of maintaining a signs advertising other development in the vicinity of The Village at Shelby Master Community by the Declarant, its successors and assigns, and Declarant's new location. The provisions of this Section 5 shall be inapplicable to the Community Areas located on Commercial Parcel.

#### ARTICLE IV

#### COVENANT FOR MAINTENANCE ASSESSMENTS

**Section 1. Creation of the Lien and Personal Obligation for Assessments.** Declarant hereby covenants, and each Owner of any Assessment Unit by acquisition of title thereto or an interest therein is deemed to covenant, and agrees to pay to the Association (1) annual assessments or charges for the maintenance, repair and replacement of the Community Areas, including, but not limited to entrance improvements, landscaping, roads, walking paths, sidewalks, private storm sewers and storm water easements and detention basin, and common open space areas, as described on Exhibit B and depicted on Exhibit C attached hereto, (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided, and (3)

litigation special assessment, as provided for herein. The annual and special assessments and litigation special assessments, together with interest as provided herein, costs and reasonable attorneys' fees, shall from date of assessment be a charge and a continuing lien upon the Assessment Unit against which each such assessment is made. Each such assessment, together with interest as provided herein, costs and reasonable attorneys' fees, shall also be the personal obligation of the person(s) who was (were) the Owner of such Assessment Unit at the time the assessment became due, except a land contract purchaser shall be so personally liable and such land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which such land contract seller actually retakes possession of such Assessment Unit following extinguishment of all rights of the land contract purchaser of the Assessment Unit. The personal obligation for the delinquent assessment shall not pass to successor Owners unless expressly assumed by them. Annual assessments may be collected by the Association (in its sole discretion) monthly, quarterly, bi-annually or annually. The Association may (in its sole discretion) collect any assessments payable under this Declaration directly from the Owner of each Assessment Unit or from the individual Owners Associations (who shall collect the funds from their members as a part of their annual assessment).

**Section 2. Purpose of Assessments.** The assessments levied by the Association shall be used exclusively for the improvement and maintenance, repair and replacement of, and insurance for the Community Areas and all improvements thereon and, in general, the carrying out of the purposes set forth in or permitted by this Declaration and for the general welfare of The Village at Shelby Master Community. The Association may provide for reasonable reserves for contingencies, replacements and improvements.

**Section 3. Method of Assessment.** Every assessment shall be made against all Assessment Units in The Village at Shelby Master Community. The items of expense which are included within the annual assessment shall be determined by the Association in its reasonable discretion, and shall be subject to proration among the Assessment Units based on the formula set forth in Section 5 of the Article IV.

**Section 4. Special Assessments for Capital Improvements.** In addition to the annual assessments authorized above, the Association may levy a special assessment for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement upon the Community Areas, including fixtures and personal property relating thereto, or the cost of establishing or adding to a reserve therefor, provided that any such assessment shall have the approval, at a meeting duly called for such purpose, of the votes of the Owners of more than 60% of all Assessment Units, giving one vote for each Assessment Unit. Voting at such meeting shall be in person, by proxy or by a written absentee ballot in which the question or questions to be decided are specifically set forth. Notwithstanding the foregoing, special assessments may be levied by the Association without a vote of Assessment Unit Owners against individual Owners of Assessment Units or against Owners' Associations as provided in Article V, Section 5 hereof and may also be levied to relieve any deficiency in the Community Association's current operating funds to provide for maintenance, repair and/or replacement of the Community Areas and any facilities therein. Notwithstanding the foregoing, contribution by the Owner of the Commercial Parcel to the initial cost of constructing the Community Areas shall be governed by the

terms of a certain ground lease entitled *Village at Shelby Ground Lease* by and between Declarant and Shelby Township CVS, Inc. dated December 6, 2004, as thereafter amended.

**Section 5. Rate of Assessment.** Both annual assessments, special assessments and litigation assessments shall be prorated among the Assessment Units located within Village I Parcel, Village II Parcel, Village III Parcel and the Commercial Parcel based on the relative size of each Parcel, except for special assessments pursuant to the power reserved to the Association pursuant to Article V, Section 5 hereof, which shall be assessed as provided therein.

**Section 6. Assessments: Date of Commencement and Due Dates.** Assessments shall be due and payable annually on January 1 of each year or any other date the Association may set in its discretion. The first annual assessment shall be prorated and adjusted according to the number of months remaining in the calendar year. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Assessment Unit have been paid. A properly executed certificate of the Association as to the status of assessments on an Assessment Unit shall be binding upon the Association as of the date of its issuance.

**Section 7. Effect of Non-Payment of Assessments: Remedies.** Any assessment not paid within thirty (30) days after the due date (together with expenses of collection set forth below) shall bear interest from the due date at the lesser of (a) the rate of 18% per annum, or (b) the highest rate allowed by law or (c) such lesser uniform rate as shall be established by the Association at the time of the fixing of the assessment. Additionally, the Association may set automatic late charges and/or assess fines for the failure of an Owner to pay his assessments in a timely manner provided that the same is done on a uniform basis for all Assessment Units. The Association may bring an action against a delinquent Owner or other person personally obligated to pay the same and/or may foreclose the lien established by the terms of this Declaration in the same manner that real estate mortgages may be foreclosed by action under Michigan law. The expenses incurred in collecting unpaid assessments including interest, costs and attorneys' fees and advances for taxes and other liens to protect the lien for assessments shall be chargeable to the Owner in default and shall be secured by the lien on his parcel or assessment unit. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Community Areas or by abandonment of his Assessment Unit.

**Section 8. Subordination of the Lien to Mortgages.** The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage on any of the Properties. Sale or transfer of any Assessment Unit shall not affect the assessment lien. However, the sale or transfer of any parcel or Assessment Unit pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Assessment Units, including the mortgaged property). No foreclosure sale or transfer in lieu thereof shall relieve such parcel or dwelling unit from liability for any assessments thereafter becoming due or from the lien thereof.

**Section 9. Community Areas Maintenance.** The Association shall be responsible for

the maintenance, replacement and repair of the Community Areas in accordance with all applicable laws, ordinances and regulations and otherwise in a good, clean and sanitary order and otherwise in a condition comparable to other first class commercial/retail properties located in Shelby Township, Michigan. Maintenance shall include, but is not limited to, regular sweeping, washing and removal of trash, litter and refuse, removal of snow and ice as needed from pavement, parking areas and walkways, painting and striping of parking areas, repair and replacement of paving, if necessary, repair and replacement of utilities and storm water drainage, maintenance of landscaped areas (including replacement and replanting, as needed), and maintenance and repair of lighting fixtures, signage, directional signage, lines and markers. Paved areas shall be maintained in a level, smooth and evenly covered condition with the type of surfacing material originally installed or such substitute as shall be comparable in quality, use and durability.

**Section 10. Landscape Area Maintenance.** The Association shall be responsible for the maintenance, replacement and repair of the landscape improvements located within Landscape Areas located within Community Areas depicted on Exhibit C hereto. In the event that Association shall at any time fail to maintain the Landscape Areas in reasonable condition and order, Macomb Township ("Township") shall serve written notice upon the Association setting forth the manner in which the Association has failed to maintain the Landscape Areas in reasonable condition and order. The notice shall include a demand that deficiencies in the maintenance be cured within thirty (30) days thereof, and notify the Association of the date, time and place of a public hearing before the Township Board or such other boards or body of officials to whom the Township shall delegate such responsibility. Such hearing shall be held within fifteen (15) days of the notice. At such hearing the Township may modify the terms of the original notice of deficiencies in maintenance and may grant an extension of time within which such deficiencies shall be cured. If the deficiencies set forth in the original notice or in the modification thereof, are not cured within said thirty (30) day period or any extensions of time granted at the hearing, the Township, in order to eliminate and cure the deficiencies in the operation and maintenance of the Landscape Areas, may enter upon the property and maintain said Landscape Areas for a period of one (1) year. The maintenance of the Landscape Areas by the Township shall not constitute a taking of the Landscape Areas nor vest in the public any additional right to use the same.

Within sixty (60) days prior to the expiration of the aforesaid one (1) year period that the Landscape Areas is under the control and jurisdiction of the Township, the Association may request another public hearing be held or the Township may call another public hearing upon reasonable notice to the Association. At such hearing the Association shall show cause why such and maintenance by the Township shall not continue for a succeeding one (1) year period. If the Township shall reasonably determine that the Association is ready, willing and able to maintain the Landscape Areas in reasonable condition and order, the Township shall cease to operate and maintain the Landscape Areas at the end of said year. If the Township shall reasonably determine that the Association is not ready, willing and able to maintain the Landscape Areas during the next succeeding year, then subject to a similar public hearing and determination in each successive year thereafter, the Township may continue to enter upon the property and maintain said Landscape Areas.

Should deficiencies in the maintenance of the Landscape Areas be determined by the

Township to constitute an impending danger to health, safety and welfare of the public, or a public or private nuisance, the Township shall have the right to take immediate correction action and summarily abate such danger or nuisance.

The actual costs and expenditures, including administration expenses and attorney fees, incurred by the Township as a result of its maintenance of the Landscape Areas or the summary abatement of an impending danger or nuisance in relation thereto, shall be at the expense of the Association and such costs and expenditures shall be assessed against the Assessment Units in The Village at Shelby Master Community and become due, be collected and be returned for non-payment in the same manner and at the same time as ad valorem property tax levies of the Township.

The Township, at its option, shall be subrogated to any rights the Association may have in this Master Deed for the imposition of assessments and the collection thereof in relation to the Landscape Areas.

The maintenance provisions contained in this Article IV, Section 10, shall not be amended in any way without the prior written consent of Shelby Township.

**Section 11. Detention Basin Maintenance.** The Association shall be responsible for the maintenance, replacement and repair of the Detention Basin located within the Community Areas depicted on Exhibit C hereto. In the event that Association shall at any time fail to maintain the Detention Basin in reasonable condition and order, Macomb Township ("Township") shall serve written notice upon the Association setting forth the manner in which the Association has failed to maintain the Detention Basin in reasonable condition and order. The notice shall include a demand that deficiencies in the maintenance be cured within thirty (30) days thereof, and notify the Association of the date, time and place of a public hearing before the Township Board or such other boards or body of officials to whom the Township shall delegate such responsibility. Such hearing shall be held within fifteen (15) days of the notice. At such hearing the Township may modify the terms of the original notice of deficiencies in maintenance and may grant an extension of time within which such deficiencies shall be cured. If the deficiencies set forth in the original notice or in the modification thereof, are not cured within said thirty (30) day period or any extensions of time granted at the hearing, the Township, in order to eliminate and cure the deficiencies in the operation and maintenance of the Detention Basin, may enter upon the property and maintain said Detention Basin for a period of one (1) year. The maintenance of the Detention Basin by the Township shall not constitute a taking of the Detention Basin nor vest in the public any additional right to use the same.

Within sixty (60) days prior to the expiration of the aforesaid one (1) year period that the Detention Basin is under the control and jurisdiction of the Township, the Association may request another public hearing be held or the Township may call another public hearing upon reasonable notice to the Association. At such hearing the Association shall show cause why such and maintenance by the Township shall not continue for a succeeding one (1) year period. If the Township shall reasonably determine that the Association is ready, willing and able to maintain the Detention Basin in reasonable condition and order, the Township shall cease to operate and maintain

the Detention Basin at the end of said year. If the Township shall reasonably determine that the Association is not ready, willing and able to maintain the Detention Basin during the next succeeding year, then subject to a similar public hearing and determination in each successive year thereafter, the Township may continue to enter upon the property and maintain said Detention Basin.

Should deficiencies in the maintenance of the Detention Basin be determined by the Township to constitute an impending danger to health, safety and welfare of the public, or a public or private nuisance, the Township shall have the right to take immediate correction action and summarily abate such danger or nuisance.

The actual costs and expenditures, including administration expenses and attorney fees, incurred by the Township as a result of its maintenance of the Detention Basin or the summary abatement of an impending danger or nuisance in relation thereto, shall be at the expense of the Association and such costs and expenditures shall be assessed against the Assessment Units in the Village at Shelby Master Community and become due, be collected and be returned for non-payment in the same manner and at the same time as ad valorem property tax levies of the Township.

The Township, at its option, shall be subrogated to any rights the Association may have in this Master Deed for the imposition of assessments and the collection thereof in relation to the Detention Basin.

The maintenance provisions contained in this Article IV, Section 10, shall not be amended in any way without the prior written consent of Shelby Township.

## ARTICLE V

### GENERAL

**Section 1. Remedies for Violations.** For a violation or breach of any of these reservations, covenants, conditions, restrictions, and rules and regulations of this Declaration, the Declarant, the Association, or any member of the Association, shall have the right to proceed at law or in equity to compel a compliance with the terms hereof or to prevent or obtain damages for the violation or breach of any provision hereof or to seek relief as follows:

a. **Legal Action.** Failure to comply with any of the terms or provisions of this Declaration shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of any assessment) or any combination thereof, and such relief may be sought by the Declarant, or the Association.

b. **Recovery of Costs.** In any proceeding which arises because of an alleged default under this Declaration of any Owner of any Assessment Unit, then the Declarant, the Association or the member of the Association seeking enforcement, if successful, shall be entitled to recover the

costs of the proceeding and such reasonable attorney's fees (not limited to statutory fees) as may be determined by the court, but in no event shall any Assessment Unit Owner or Owners' Association be entitled to recover such attorney's fees.

c. **Abatement.** The violation of any of the provisions of this Declaration or rules and regulations by any member of the Association or its Assessment Units shall also give the Declarant and/or the Association the right, in addition to the rights set forth above, to enter upon any of the Community Areas, where reasonably necessary, and summarily remove, abate or rectify, at the expense of the person or entity committing the infraction, any structure, thing or condition maintained contrary to the provisions of this Declaration. The Association shall have no liability to any person arising out of its removal, abatement and rectification power authorized herein. The powers herein set forth are granted both generally and specifically in furtherance of Article V, Section 5 hereof.

d. **Assessment of Fines.** The violation of any of the provisions of this Declaration by any Owners' Association or any Owner of any Assessment Unit shall be grounds for assessment by the Association, acting through its Board of Directors, of monetary fines for 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 the offending Owners' Association or Assessment Unit Owner. All fines duly assessed may be collected in the same manner as provided in Article IV of this Declaration. Notwithstanding the foregoing, there shall be no fine for an initial infraction and no fine shall exceed \$25 for the second violation, \$50 for the third violation, or \$100 for any subsequent violation.

e. **Self-Help.** In addition to all other remedies available at law or in equity, upon the failure of a defaulting Owner to cure a breach of this Declaration within thirty (30) days following written notice thereof by an aggrieved Owner with a copy to the Association (unless, with respect to any such breach the nature of which cannot reasonably be cured within such thirty (30) day period, the defaulting owner commences such cure within such thirty (30) day period and thereafter diligently pursues such cure to completion) and failure of the Association to cure such breach within the foregoing time frames, the aggrieved Owner shall have the right to perform such obligations contained in this Declaration on behalf of such defaulting Owner and be promptly reimbursed by such defaulting Owner upon demand for the reasonable legal costs thereof together with interest at the lesser of (a) the rate of eighteen percent (18%) per annum, or (b) the highest rate allowed by law. Notwithstanding the foregoing, in the event of (a) an emergency, (b) material impairment of the easement rights, and/or (c) unauthorized parking of vehicles on a parcel, an aggrieved Owner may provide for forty-eight (48) hours advance notice or if not practical, as soon as possible thereafter, cure the same and be reimbursed by the defaulting Owner upon demand for the reasonable costs thereof together with interest as above described. In the event that an Owner exercises the rights set forth in this subsection, such Owner shall have a lien against the Assessment Unit of the defaulting Owner for the amount of the reimbursement obligation of the defaulting Owner set forth herein, which lien may be foreclosed in the same manner that real estate mortgages may be foreclosed by action under Michigan law. The expenses incurred in collecting unpaid assessments including interest, costs and attorneys' fees and advances for taxes and other liens to protect the lien created by this subsection shall be chargeable to the defaulting Owner and shall be secured by the

lien on his Assessment Unit.

**f. Indemnification.** Each Owner shall indemnify, defend and hold the other Owners harmless from and against any claims, expenses, liabilities, losses, liens (including mechanics' liens), damages and costs, including reasonable attorneys' fees, in any actions or proceedings in connection therewith, incurred in connection with, arising from, due to or as a result of the death of any person or any accident, injury, loss or damage, however caused, to any personal property arising from the indemnifying owners, exercise of the easement rights and performance or nonperformance of the obligations set forth herein, except claims resulting from the joint or sole negligence or willful act or omission of the indemnified Owner in which case the indemnification shall be in proportion to the indemnifying Owner's allocable share of negligence or willful misconduct.

**g. Non-waiver of Right.** The failure of the Declarant, the Association or of any member of the Association to enforce any right, provision, covenant or condition which may granted by this Declaration shall not constitute a waiver of the right of the Declarant or Association or such member of the Association to enforce such right, provision, covenant or condition in the future.

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

**Section 2. Rules and Regulations.** The Association shall have the right to make reasonable rules and regulations to carry out the terms of this Declaration and to fulfill its purposes, provided that such rules and regulations are consistently applied amongst all Owners. Such rules and regulations may include, but are not limited to rules and regulations for the following purposes:

a. Rules concerning the use of the Community Areas and the conduct of users thereof.

b. Rules establishing minimum standards for maintenance of landscaping and roads within in The Village at Shelby Master Community.

Declarant hereby covenants, and each Owner of any Assessment Unit by acquisition of title thereto is deemed to covenant, to abide by such rules and regulations.

**Section 3. Addition of Community Areas.** Declarant may hereafter add, by separate recorded Declaration or by amendment to this Declaration additional Community Areas. The rights of the Declarant as reserved in this Section 3 shall remain throughout the period of development by Declarant of The Village at Shelby Master Community, as the same may hereafter be expanded by Declarant in its sole discretion. The size, design, location, and other physical attributes of the Community Areas shall be within the sole discretion of the Declarant. Declarant the have the right to amend this Declaration to specify any physical improvements which Declarant (in its sole



discretion) decides to include within the Community Areas.

**Section 4. Association Bank Account.** All assessments collected by Declarant shall be held in and expended from a separate bank account in the name of the Association. Said assessments and the expenditures thereof shall be accounted for pursuant to generally accepted accounting procedures. After the Association is controlled by the Class B members, the books of account shall be audited annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. The costs of any audit and accounting expenses shall be paid for by the Association.

**Section 5. Maintenance of Assessment Units.** It shall be the responsibility of the Association to oversee the attractiveness of the Assessment Units in The Village at Shelby Master Community. In furtherance of the provisions of this Section, the Association shall also undertake certain additional responsibilities, from time to time, as follows:

a. The Association shall have the right to assume temporary control over any area of The Village at Shelby Master Community which shall have been allowed by the Owner thereof to deteriorate to an unaesthetic condition and to rectify such condition.

b. The Association shall have the right to enforce any restriction or obligation contained in any of the condominium master deeds for any condominium project or declaration of restrictions for any platted subdivision included within The Village at Shelby Master Community.

c. Generally, the Association shall have the right to undertake, in its discretion, any responsibilities which promote the general welfare of The Village at Shelby Master Community so long as any costs in connection therewith are reasonably apportioned among all Owners.

The expense resulting from Association's increased obligations as provided in subsections (a) through (c) above shall be specially assessed to the Assessment Unit Owner or Owners causing such condition or benefitting from and shall not be an expense of administration chargeable to any other Owners. Such special assessment shall be a charge and a lien upon the Assessment Unit against which each such special assessment is made in the same manner as any other assessment assessed hereunder as described in Article IV hereof and giving rise to all of the remedies described herein.

The Association shall have an easement of access to all of The Village at Shelby Master Community to enable it to perform the maintenance and do all things necessary for the furtherance of the purposes of this Declaration, and shall have the right to the use of any portion of The Village at Shelby Master Community deemed reasonably and demonstrably necessary to the promotion of the general welfare of The Village at Shelby Master Community and the furtherance of the purposes of this Declaration.

**Section 6. Duration; Amendment.** The provisions of this Declaration shall run with and bind all land with The Village at Shelby Master Community for a period of twenty (20) years from the date hereof, after which time they shall be extended automatically for successive periods of ten

(10) years each unless seventy five per cent (75%) of the Assessment Units in the Village at Shelby Master Community vote to limit or remove the provisions hereof; provided, however, that notwithstanding the foregoing, all utility and access easements contained in this Declaration shall be perpetual. This Declaration may be amended or restated in its entirety upon the sole discretion of the Declarant or its successors or assigns for the purpose of (i) creating additional easements, or altering or amending existing easements within Community Areas, (ii) adding additional Community Areas or other condominium projects or platted subdivisions, (iii) to clarify or amplify some portion or portions hereof or (iv) any other amendments Declarant deems necessary which does not materially adversely affect the development and use of the Assessment Units. PROVIDED HOWEVER that any such amendment which affects the Commercial Parcel shall not be made without the prior written consent of the Owner of the Commercial Parcel. All of the Owners and Mortgagees of Assessment Units and other persons interested or to become interested in The Village at Shelby Master Community from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments to this Declaration. All such interested persons irrevocably appoint Declarant or its successors as agent and attorney for the execution of such amendments to this Declaration and all other documents necessary to effectuate the foregoing. Subsequent to the time at which the Class B members of the Association acquire the right to vote, after 95% of the Assessment Units planned to be constructed in The Village at Shelby Master Community (or such earlier date as may be determined by Declarant at its sole discretion) have been conveyed by the Declarant, this Declaration may be amended by the affirmative vote (in person or in writing) of 75% of all Owners of Assessment Units within The Village at Shelby Master Community; PROVIDED HOWEVER, that there shall be no amendment to this Declaration by Owners of Assessment Units prior to the sale and conveyance by Declarant of the last Assessment Unit to be constructed in The Village at Shelby Master Community without Declarant's express written consent which will not be unreasonably withheld, conditioned or delayed.

**Section 7. Annexation of Additional Land and Community Areas.** Declarant reserves the right any time in the future to amend this Declaration by adding one or more additional condominium projects, subdivisions or other forms of development to the provisions of this Declaration. Such additional lands may or may not contain Community Areas but shall be subject to assessments pursuant to Article IV. Additional Assessment Units and Community Areas, if any, may be made subject to this Declaration by Declarant without the consent or approval of the Association or any of its Members or any Owner.

**Section 8. Assignment.** Any or all of the rights and powers granted or reserved to the Declarant in this Declaration, including the power to approve or disapprove any act, use or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made effective by appropriate instrument in writing duly recorded in the office of the Macomb County Register of Deeds.

**Section 9. Enforcement.** The terms, covenants and agreements contained in this Declaration may be enforced by the Declarant any Owner, or the Association.

**Section 10. Severability.** In the event that any of the terms, provisions or covenants of this Declaration are held to be partially or wholly invalid or unenforceable for any reason whatsoever,





THE VILLAGE AT SHELBY  
EXHIBIT A

LEGAL DESCRIPTION - (PROPOSED) THE VILLAGE AT SHELBY "I":

A PARCEL OF LAND LOCATED IN THE SOUTHWEST 1/4 OF SECTION 9, T.3N., R.12E., SHELBY TOWNSHIP, MACOMB COUNTY, MICHIGAN, BEING DESCRIBED AS ALL OF LOTS 11 THROUGH 16, INCLUSIVE, PART OF LOT 21, AND ALL OF LOTS 22 AND 23, "SUPERVISOR'S PLAT OF DISCO" A PARCEL OF LAND LOCATED IN THE SOUTHWEST 1/4 OF SECTION 9, T.3N., R.12E., SHELBY TOWNSHIP, MACOMB COUNTY, MICHIGAN, BEING DESCRIBED AS ALL OF LOTS 11 THROUGH 16, INCLUSIVE, PART OF LOT 21, AND ALL OF LOTS 22 AND 23, "SUPERVISOR'S PLAT OF DISCO" (AS RECORDED IN L.17, P.12 OF PLATS, MACOMB COUNTY RECORDS) AND BEING MORE (AS RECORDED IN L.17, P.12 OF PLATS, MACOMB COUNTY RECORDS) AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 9, THENCE ALONG THE SOUTH SECTION LINE (ALSO BEING THE CENTERLINE OF 24 MILE ROAD, NORTH 1/2 BEING 33' WIDE) S89°25'44"W 306.72'; THENCE N00°34'16"W 60.00' TO THE POINT OF BEGINNING; THENCE ALONG THE NORTH RIGHT-OF-WAY LINE OF 24 MILE ROAD (PROPOSED NORTH 1/2 BEING 60' WIDE) S89°25'44"W 336.51' (RECORDED AS S89°23'W); THENCE ALONG THE EAST LINE OF LOT 24 OF SAID "SUPERVISOR'S PLAT OF DISCO," N00°54'14"E 108.98'; THENCE ALONG THE NORTH LINE OF SAID LOT 24, S89°25'44"W 15.29'; THENCE N00°34'07"W 49.00'; THENCE N89°25'53"E 30.39'; THENCE N53°07'21"E 71.07'; THENCE N89°25'53"E 261.34'; THENCE S00°34'07"E 200.01' TO THE POINT OF BEGINNING. CONTAINING 1.5108 ACRES SUBJECT TO AND TOGETHER WITH ALL EASEMENTS, EXCEPTIONS, CONDITIONS, RESERVATIONS AND RESTRICTIONS CONTAINED IN PRIOR CONVEYANCES OF RECORD OF OTHERWISE.

LEGAL DESCRIPTION - (PROPOSED) THE VILLAGE AT SHELBY "II":

A PARCEL OF LAND LOCATED IN THE SOUTHWEST 1/4 OF SECTION 9, T.3N., R.12E., SHELBY TOWNSHIP, MACOMB COUNTY, MICHIGAN, BEING DESCRIBED AS ALL OF LOTS 11 THROUGH 16, INCLUSIVE, PART OF LOT 21, AND ALL OF LOTS 22 AND 23, "SUPERVISOR'S PLAT OF DISCO" A PARCEL OF LAND LOCATED IN THE SOUTHWEST 1/4 OF SECTION 9, T.3N., R.12E., SHELBY TOWNSHIP, MACOMB COUNTY, MICHIGAN, BEING DESCRIBED AS ALL OF LOTS 11 THROUGH 16, INCLUSIVE, PART OF LOT 21, AND ALL OF LOTS 22 AND 23, "SUPERVISOR'S PLAT OF DISCO" (AS RECORDED IN L.17, P.12 OF PLATS, MACOMB COUNTY RECORDS) AND BEING MORE (AS RECORDED IN L.17, P.12 OF PLATS, MACOMB COUNTY RECORDS) AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 9, THENCE ALONG THE EAST SECTION LINE (ALSO BEING THE CENTERLINE OF VAN DYKE ROAD, WEST 1/2 BEING 33' WIDE) N00°51'02"E (RECORDED AS N00°51'30"E) 287.65'; THENCE N89°08'58"W 60.00' TO THE POINT OF BEGINNING; THENCE S79°49'29"W 51.61'; THENCE N89°08'58"W 202.67'; THENCE N00°15'08"E 20.00'; THENCE S89°08'58"E 10.46'; THENCE N00°51'02"W 150.55'; THENCE N88°55'30"E 84.26'; THENCE N00°00'44"E 136.02'; THENCE ALONG THE NORTH LINE OF LOT 16 OF SAID "SUPERVISOR'S PLAT OF DISCO," N88°55'30"E 181.88'; THENCE ALONG THE WEST RIGHT-OF-WAY LINE OF VAN DYKE ROAD (PROPOSED WEST 1/2 BEING 60' WIDE), S00°51'02"W 305.63' (RECORDED AS S00°51'30"W) TO THE POINT OF BEGINNING. CONTAINING 1.6147 ACRES SUBJECT TO AND TOGETHER WITH ALL EASEMENTS, EXCEPTIONS, CONDITIONS, RESERVATIONS AND RESTRICTIONS CONTAINED IN PRIOR CONVEYANCES OF RECORD OF OTHERWISE.

LEGAL DESCRIPTION - (PROPOSED) THE VILLAGE AT SHELBY "III":

A PARCEL OF LAND LOCATED IN THE SOUTHWEST 1/4 OF SECTION 9, T.3N., R.12E., SHELBY TOWNSHIP, MACOMB COUNTY, MICHIGAN, BEING DESCRIBED AS ALL OF LOTS 11 THROUGH 16, INCLUSIVE, PART OF LOT 21, AND ALL OF LOTS 22 AND 23, "SUPERVISOR'S PLAT OF DISCO" A PARCEL OF LAND LOCATED IN THE SOUTHWEST 1/4 OF SECTION 9, T.3N., R.12E., SHELBY TOWNSHIP, MACOMB COUNTY, MICHIGAN, BEING DESCRIBED AS ALL OF LOTS 11 THROUGH 16, INCLUSIVE, PART OF LOT 21, AND ALL OF LOTS 22 AND 23, "SUPERVISOR'S PLAT OF DISCO" (AS RECORDED IN L.17, P.12 OF PLATS, MACOMB COUNTY RECORDS) AND BEING MORE (AS RECORDED IN L.17, P.12 OF PLATS, MACOMB COUNTY RECORDS) AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 9, THENCE ALONG THE EAST SECTION LINE (ALSO BEING THE CENTERLINE OF VAN DYKE ROAD, WEST 1/2 BEING 33' WIDE) N00°51'02"E (RECORDED AS N00°51'30"E) 595.30'; THENCE S88°55'30"W 241.91' TO THE POINT OF BEGINNING; THENCE S00°00'44"W 136.02'; THENCE S88°55'30"W 84.26'; THENCE S00°51'02"W 150.55'; THENCE S89°08'58"E 10.46'; THENCE S00°15'08"W 45.46'; THENCE S89°25'53"W 261.34'; THENCE S53°07'21"W 71.07'; THENCE S89°25'53"W 30.39'; THENCE S00°34'07"E 49.00'; THENCE ALONG THE NORTH LINE OF SAID LOT 24, S89°25'44"W 64.87'; THENCE ALONG THE EAST LINE OF "LUANN SUB. NO. 1" (AS RECORDED IN L.43, P.45 OF PLATS, MACOMB COUNTY RECORDS), N01°15'41"W 419.69' (RECORDED AS N01°13'W 420.16'); THENCE ALONG THE NORTH LINE OF LOT 16 OF SAID "SUPERVISOR'S PLAT OF DISCO," N88°55'30"E 498.52' TO THE POINT OF BEGINNING. CONTAINING 3.5759 ACRES.



**SPALDING DeDECKER ASSOCIATES, INC.**  
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220 W. CONGRESS, SUITE 400  
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www.spaldingdedecker.com

DRAWN: S.CLARK	DATE: 08-03-05
CHECKED: P.O'ROURKE	DATE: 08-03-05
MANAGER: G.PLATZ	SCALE: 1" = 40'
JOB No. DVO2029	SHEET: 1 OF 2
SECTION 9	TOWN 3 NORTH RANGE 12 EAST
SHELBY TWP.	MACOMB COUNTY, MI

THE VILLAGE AT SHELBY  
EXHIBIT A CONTINUED

LEGAL DESCRIPTION - (PROPOSED) COMMERCIAL PARCEL:

A PARCEL OF LAND LOCATED IN THE SOUTHEAST 1/4 OF SECTION 9, T.3N., R.12E., SHELBY TOWNSHIP, MACOMB COUNTY, MICHIGAN, BEING DESCRIBED AS ALL OF LOTS 11 THROUGH 16, INCLUSIVE, PART OF LOT 21, AND ALL OF LOTS 22 AND 23, "SUPERVISOR'S PLAT OF DISCO" A PARCEL OF LAND LOCATED IN THE SOUTHEAST 1/4 OF SECTION 9, T.3N., R.12E., SHELBY TOWNSHIP, MACOMB COUNTY, MICHIGAN, BEING DESCRIBED AS ALL OF LOTS 11 THROUGH 16, INCLUSIVE, PART OF LOT 21, AND ALL OF LOTS 22 AND 23, "SUPERVISOR'S PLAT OF DISCO" (AS RECORDED IN L.17, P.12 OF PLATS, MACOMB COUNTY RECORDS) AND BEING MORE (AS RECORDED IN L.17, P.12 OF PLATS, MACOMB COUNTY RECORDS) AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 9, THENCE ALONG THE EAST SECTION LINE (ALSO BEING THE CENTERLINE OF VAN DYKE ROAD, WEST 1/2 BEING 33' WIDE) N00°51'02"E (RECORDED AS N00°51'30"E) 60.02'; THENCE S89°25'44"W 60.02' TO THE POINT OF BEGINNING; THENCE ALONG THE NORTH RIGHT-OF-WAY LINE OF 24 MILE ROAD (PROPOSED NORTH 1/2 BEING 60' WIDE) S89°25'44"W 248.19' (RECORDED AS S89°23'W); N00°34'07"W 200.01'; THENCE N00°15'08"E 25.46'; THENCE S89°08'58"E 202.67'; THENCE N79°49'29"E 91.61'; THENCE ALONG THE WEST RIGHT-OF-WAY LINE OF VAN DYKE ROAD (PROPOSED WEST 1/2 BEING 60' WIDE), S00°51'02"W 229.12' (RECORDED AS S00°51'30"W) TO THE POINT OF BEGINNING. CONTAINING 1.2864 ACRES SUBJECT TO AND TOGETHER WITH ALL EASEMENTS, EXCEPTIONS, CONDITIONS, RESERVATIONS AND RESTRICTIONS CONTAINED IN PRIOR CONVEYANCES OF RECORD OF OTHERWISE.

LEGAL DESCRIPTION (OVERALL):

A PARCEL OF LAND LOCATED IN THE SOUTHEAST 1/4 OF SECTION 9, T.3N., R.12E., SHELBY TOWNSHIP, MACOMB COUNTY, MICHIGAN, BEING DESCRIBED AS ALL OF LOTS 11 THROUGH 16, INCLUSIVE, PART OF LOT 21, AND ALL OF LOTS 22 AND 23, "SUPERVISOR'S PLAT OF DISCO" A PARCEL OF LAND LOCATED IN THE SOUTHEAST 1/4 OF SECTION 9, T.3N., R.12E., SHELBY TOWNSHIP, MACOMB COUNTY, MICHIGAN, BEING DESCRIBED AS ALL OF LOTS 11 THROUGH 16, INCLUSIVE, PART OF LOT 21, AND ALL OF LOTS 22 AND 23, "SUPERVISOR'S PLAT OF DISCO" (AS RECORDED IN L.17, P.12 OF PLATS, MACOMB COUNTY RECORDS) AND BEING MORE (AS RECORDED IN L.17, P.12 OF PLATS, MACOMB COUNTY RECORDS) AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 9, THENCE ALONG THE EAST SECTION LINE (ALSO BEING THE CENTERLINE OF VAN DYKE ROAD, WEST 1/2 BEING 33' WIDE) N00°51'02"E (RECORDED AS N00°51'30"E) 33.01'; THENCE S89°25'44"W 33.01' TO THE SOUTHEAST CORNER OF SAID LOT 11 AND THE POINT OF BEGINNING; THENCE ALONG THE NORTH RIGHT-OF-WAY LINE OF 24 MILE ROAD (NORTH 1/2 BEING 33' WIDE), S89°25'44"W 611.73' (RECORDED AS S89°23'W 611.78'); THENCE ALONG THE EAST LINE OF LOT 24 OF SAID "SUPERVISOR'S PLAT OF DISCO," N00°34'14"E 136.99' (RECORDED AS 136.00'); THENCE ALONG THE NORTH LINE OF SAID LOT 24, S89°25'44"W 80.16'; THENCE ALONG THE EAST LINE OF "LUANN SUB. NO. 1" (AS RECORDED IN L.43, P.45 OF PLATS, MACOMB COUNTY RECORDS), N01°15'41"W 419.69' (RECORDED AS N01°13'W) 420.16'; THENCE ALONG THE NORTH LINE OF LOT 16 OF SAID "SUPERVISOR'S PLAT OF DISCO," N88°55'30"E 707.42' (RECORDED AS 712.26'); THENCE ALONG THE WEST RIGHT-OF-WAY LINE OF VAN DYKE ROAD (WEST 1/2 BEING 33' WIDE), S00°51'02"W 562.00' (RECORDED AS S00°51'30"W) TO THE POINT OF BEGINNING. CONTAINING 8.6985 ACRES SUBJECT TO AND TOGETHER WITH ALL EASEMENTS, EXCEPTIONS, CONDITIONS, RESERVATIONS AND RESTRICTIONS CONTAINED IN PRIOR CONVEYANCES OF RECORD OF OTHERWISE.



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JOB No. DVO2029	SHEET: 2 OF 2
SECTION 9 TOWN 3 NORTH RANGE 12 EAST	
SHELBY TWP.	MACOMB COUNTY, MI

THE VILLAGE AT SHELBY  
EXHIBIT B

DESCRIPTION OF COMMON AREA FOR SHELBY VILLAGE

A PARCEL OF LAND LOCATED IN THE SOUTHEAST 1/4 OF SECTION 9, T.3.N., R.12.E., SHELBY TOWNSHIP, MACOMB COUNTY, MICHIGAN, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 9, THENCE ALONG THE EAST SECTION LINE (ALSO BEING THE CENTERLINE OF VAN DYKE AVENUE, EXISTING WIDTH 66 FEET WIDE AND PROPOSED WIDTH 120 FEET WIDE), N00°51'02"E 60.02 FEET; THENCE S89°25'44"W 60.02 FEET TO A POINT OF BEGINNING; THENCE ALONG THE PROPOSED NORTH RIGHT-OF-WAY LINE OF 24 MILE ROAD, NORTH 1/2 BEING 60 FEET WIDE), S89°25'44"W 584.70 FEET; THENCE ALONG THE EAST LINE OF LOT 24 OF "SUPERVISOR'S PLAT OF DISCO" (AS RECORDED IN L. 17, P.12 OF PLATS, MACOMB COUNTY RECORDS) N00°54'14"E 108.98 FEET; THENCE ALONG THE NORTH LINE OF SAID LOT 24, S89°25'44"W 80.16 FEET; THENCE ALONG THE EAST LINE OF "LUANN SUB.NO. 1" (AS RECORDED IN L. 43, P. 45 OF PLATS, MACOMB COUNTY RECORDS), N01°15'41"W 419.68 FEET; THENCE ALONG THE NORTH LINE OF LOT 16 OF SAID "SUPERVISOR'S PLAT OF DISCO", N88°55'30"E 115.35 FEET; THENCE S01°15'41"E 74.77 FEET; THENCE 47.16 FEET ALONG A NON-TANGENT CURVE TO THE LEFT (HAVING A CENTRAL ANGLE OF 47°20'49", A RADIUS OF 57.07 FEET AND CHORD BEARING S18°18'26"W 45.83 FEET); THENCE S88°55'30"W 14.89 FEET; THENCE S35°22'01"W 17.01 FEET; THENCE 13.20 FEET ALONG A TANGENT CURVE TO THE LEFT (HAVING A CENTRAL ANGLE OF 36°32'32", A RADIUS OF 20.68 FEET AND A CHORD BEARING S17°05'45"W 12.97 FEET); THENCE S01°13'08"E 185.68 FEET; THENCE 26.75 FEET ALONG A TANGENT CURVE TO THE LEFT (HAVING A CENTRAL ANGLE OF 75°21'44", A RADIUS OF 20.34 FEET AND A CHORD BEARING S38°53'58"E 24.87 FEET); THENCE S76°34'50"E 7.10 FEET; THENCE 24.77 FEET ALONG A TANGENT CURVE TO THE RIGHT (HAVING A CENTRAL ANGLE OF 69°46'57", A RADIUS OF 20.34 FEET AND A CHORD BEARING S41°41'22"E 23.27 FEET); THENCE 22.99 FEET ALONG A NON-TANGENT CURVE TO THE LEFT (HAVING A CENTRAL ANGLE OF 28°20'49", A RADIUS OF 50.00 FEET AND A CHORD BEARING N56°25'56"E 22.79 FEET); THENCE 30.38 FEET ALONG A REVERSE CURVE TO THE RIGHT (HAVING A CENTRAL ANGLE OF 24°32'01", A RADIUS OF 69.99 FEET AND A CHORD BEARING N55°41'32"E 30.14 FEET); THENCE N68°07'33"E 16.96 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT (HAVING A CENTRAL ANGLE OF 69°23'14", A RADIUS OF 15.00 FEET AND A CHORD BEARING N33°25'56"E 17.08 FEET); THENCE 3.14 FEET ALONG A TANGENT CURVE TO THE LEFT (HAVING A CENTRAL ANGLE OF 90°00'00", A RADIUS OF 2.00 FEET AND A CHORD BEARING N46°15'41"W 2.83 FEET); THENCE S88°44'19"W 14.00 FEET; THENCE N01°15'41"W 63.40 FEET; THENCE N88°44'19"E 14.00 FEET; THENCE 3.14 FEET ALONG A TANGENT CURVE TO THE LEFT (HAVING A CENTRAL ANGLE OF 90°00'00", A RADIUS OF 2.00 FEET AND A CHORD BEARING N43°44'19"E 2.83 FEET); THENCE N01°15'41"W 14.00 FEET; THENCE 3.14 FEET ALONG A TANGENT CURVE TO THE LEFT (HAVING A CENTRAL ANGLE OF 90°00'00", A RADIUS OF 2.00 FEET AND A CHORD BEARING N46°15'41"W 2.83 FEET); THENCE S88°44'19"W 14.00 FEET; THENCE N01°15'41"W 63.50 FEET; THENCE N88°44'19"E 14.00 FEET; THENCE 3.14 FEET ALONG A TANGENT CURVE TO THE LEFT (HAVING A CENTRAL ANGLE OF 90°00'00", A RADIUS OF 2.00 FEET AND A CHORD BEARING N43°44'19"E 2.83 FEET); THENCE N01°15'41"W 5.18 FEET; THENCE 14.73 FEET ALONG A TANGENT CURVE TO THE LEFT (HAVING A CENTRAL ANGLE OF 56°16'17", A RADIUS OF 15.00 FEET AND A CHORD BEARING N29°23'50"W 14.15 FEET); THENCE N32°28'02"E 24.00 FEET; THENCE S57°31'58"E 4.32 FEET; THENCE 4.31 FEET ALONG A TANGENT CURVE TO THE LEFT (HAVING A CENTRAL ANGLE OF 123°32'32", A RADIUS OF 2.00 FEET AND A CHORD BEARING N60°41'46"E 3.52 FEET); THENCE N01°04'30"W 16.00 FEET; THENCE N88°55'30"E 118.00 FEET; THENCE S01°04'30"E 16.00 FEET; THENCE 3.14 FEET ALONG A TANGENT CURVE TO THE LEFT (HAVING A CENTRAL ANGLE OF 90°00'00", A RADIUS OF 2.00 FEET AND A CHORD BEARING S46°04'30"E 2.83 FEET); THENCE N88°55'30"E 38.43 FEET; THENCE 3.14 FEET ALONG A TANGENT CURVE TO THE LEFT (HAVING A CENTRAL ANGLE OF 90°00'00", A RADIUS OF 2.00 FEET AND A CHORD BEARING N43°55'30"E 2.83 FEET); THENCE N01°04'30"W 16.00 FEET; THENCE N88°55'30"E 127.00 FEET; THENCE S01°04'30"E 16.00 FEET; THENCE 3.14 FEET ALONG A TANGENT CURVE TO THE LEFT (HAVING A CENTRAL ANGLE OF 90°00'00", A RADIUS OF 2.00 FEET AND A CHORD BEARING S46°04'30"E 2.83 FEET); THENCE 23.56 FEET ALONG A TANGENT CURVE TO THE LEFT (HAVING A CENTRAL ANGLE OF 90°00'00", A RADIUS OF 15.00 FEET AND A CHORD BEARING N43°55'30"E 21.21 FEET); THENCE N01°04'30"W 33.50 FEET; THENCE N00°56'38"E 39.53 FEET; THENCE N00°00'44"E 48.00 FEET; THENCE ALONG THE NORTH LINE OF LOT 16 OF SAID "SUPERVISOR'S PLAT OF DISCO", N88°55'30"E 181.88 FEET; THENCE ALONG THE PROPOSED WESTERLY RIGHT-OF-WAY LINE OF VAN DYKE AVE. (WEST 1/2 PROPOSED 60.00 FEET WIDE), S00°51'02"W 534.00 FEET TO THE POINT OF BEGINNING; EXCEPT SEVEN PARCELS OF LAND DESCRIBED AS FOLLOWS:



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CHECKED: P. O'Rourke	DATE: 08-03-05
MANAGER: G. PLATZ	SCALE: 1" = 40'
JOB No. DV02029	SHEET: 1 OF 3
SECTION 9 TOWN 3 NORTH RANGE 12 EAST	
SHELBY TWP.	MACOMB COUNTY, MI

THE VILLAGE AT SHELBY  
EXHIBIT B CONTINUED

1. COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 9, THENCE ALONG THE EAST SECTION LINE (ALSO BEING THE CENTERLINE OF VAN DYKE AVENUE), N00°51'02"E 60.02 FEET; THENCE S89°25'44"W 60.02 FEET; THENCE ALONG THE PROPOSED WESTERLY RIGHT-OF-WAY LINE OF VAN DYKE AVENUE (WEST 1/2 BEING PROPOSED AS 60 FEET WIDE), N00°51'02"E 229.12 FEET; THENCE S79°49'29"W 51.61 FEET; THENCE N89°08'58"W 0.35 FEET TO THE POINT OF BEGINNING; THENCE N89°08'58"W 86.00 FEET; THENCE 23.56 FEET ALONG A TANGENT CURVE TO THE RIGHT (HAVING A CENTRAL ANGLE OF 90°00'00", A RADIUS OF 15.00 FEET AND A CHORD BEARING N44°08'58"W 21.21 FEET); THENCE 3.14 FEET ALONG A TANGENT CURVE TO THE RIGHT (HAVING A CENTRAL ANGLE OF 90°00'00", A RADIUS OF 2.00 FEET AND A CHORD BEARING N45°51'02"E 2.83 FEET); THENCE S89°08'58"E 14.00 FEET; THENCE N00°51'02"E 219.00 FEET; THENCE 15.71 FEET ALONG A TANGENT CURVE TO THE RIGHT (HAVING A CENTRAL ANGLE OF 90°00'00", A RADIUS OF 10.00 FEET AND A CHORD BEARING N45°51'02"E 14.14 FEET); THENCE S89°08'58"E 89.07 FEET; THENCE S00°51'02"W 7.00 FEET; THENCE N89°08'58"W 15.07 FEET; THENCE S00°51'02"W 225.00 FEET; THENCE S89°08'58"E 13.65 FEET; THENCE 3.61 FEET ALONG A TANGENT CURVE TO THE RIGHT (HAVING A CENTRAL ANGLE OF 103°20'33", A RADIUS OF 2.00 FEET AND A CHORD BEARING S37°28'42"E 3.14 FEET); THENCE 20.07 FEET ALONG A TANGENT CURVE TO THE RIGHT (HAVING A CENTRAL ANGLE OF 76°39'28", A RADIUS OF 15.00 FEET AND A CHORD BEARING S52°31'18"W 18.61 FEET) TO THE POINT OF BEGINNING.
2. COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 9, THENCE ALONG THE EAST SECTION LINE (ALSO BEING THE CENTERLINE OF VAN DYKE AVENUE), N00°51'02"E 60.02 FEET; THENCE S89°25'44"W 60.02 FEET; THENCE ALONG THE PROPOSED WESTERLY RIGHT-OF-WAY LINE OF VAN DYKE AVENUE (WEST 1/2 BEING PROPOSED AS 60 FEET WIDE), N00°51'02"E 229.12 FEET; THENCE S79°49'29"W 51.61 FEET; THENCE N89°08'58"W 202.67 FEET; THENCE N00°51'08" 20.00 FEET TO THE POINT OF BEGINNING; THENCE N89°08'58"W 10.46 FEET; THENCE N00°51'02"E 109.00 FEET; THENCE S89°08'58"E 18.00 FEET; THENCE S00°51'02'31'58"W 109.00 FEET; THENCE N89°08'58"W 7.54 FEET TO THE POINT OF BEGINNING.
3. COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 9, THENCE ALONG THE EAST SECTION LINE (ALSO BEING THE CENTERLINE OF VAN DYKE AVENUE), N00°51'02"E 60.02 FEET; THENCE S89°25'44"W 60.02 FEET; THENCE ALONG THE PROPOSED WESTERLY RIGHT-OF-WAY LINE OF VAN DYKE AVENUE (WEST 1/2 BEING PROPOSED AS 60 FEET WIDE), N00°51'02"E 229.12 FEET; THENCE S79°49'29"W 51.61 FEET; THENCE N89°08'58"W 202.67 FEET; THENCE N00°51'08" 20.00 FEET; THENCE S89°08'58"E 7.54 FEET; THENCE N00°51'02"E 109.00 FEET; THENCE S89°08'58"E 24.00 FEET TO THE POINT OF BEGINNING; THENCE S89°08'58"E 20.00 FEET; THENCE S00°51'02"W 54.50 FEET; THENCE N89°08'58"W 20.00 FEET; THENCE N00°51'02"E 54.50 FEET TO THE POINT OF BEGINNING.
4. COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 9, THENCE ALONG THE EAST SECTION LINE (ALSO BEING THE CENTERLINE OF VAN DYKE AVENUE), N00°51'02"E 60.02 FEET; THENCE S89°25'44"W 60.02 FEET; THENCE ALONG THE PROPOSED WESTERLY RIGHT-OF-WAY LINE OF VAN DYKE AVENUE (WEST 1/2 BEING PROPOSED AS 60 FEET WIDE), N00°51'02"E 50.90 FEET; THENCE N89°08'58"W 45.19 FEET TO THE POINT OF BEGINNING; THENCE S89°25'53"W 147.27 FEET; THENCE 23.56 FEET ALONG A TANGENT CURVE TO THE RIGHT (HAVING A CENTRAL ANGLE OF 90°00'00", A RADIUS OF 15.00 FEET AND A CHORD BEARING N45°34'07"W 21.21 FEET); THENCE N00°34'07"W 112.41 FEET; THENCE 31.91 FEET ALONG A TANGENT CURVE TO THE RIGHT (HAVING A CENTRAL ANGLE OF 91°25'09", A RADIUS OF 20.00 FEET AND A CHORD BEARING N45°08'28"E 28.63 FEET); THENCE S89°08'58"E 151.95 FEET; THENCE 6.98 FEET ALONG A TANGENT CURVE TO THE RIGHT (HAVING A CENTRAL ANGLE OF 88°34'51", A RADIUS OF 5.00 FEET AND A CHORD BEARING S44°51'33"E 6.98 FEET); THENCE S00°34'07"E 123.65 FEET; THENCE 23.56 FEET ALONG A TANGENT CURVE TO THE RIGHT (HAVING A CENTRAL ANGLE OF 90°00'00", A RADIUS OF 15.00 FEET AND A CHORD BEARING S44°25'53"W 21.21 FEET) TO THE POINT OF BEGINNING.
5. COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 9, THENCE ALONG THE EAST SECTION LINE (ALSO BEING THE CENTERLINE OF VAN DYKE AVENUE), N00°51'02"E 60.02 FEET; THENCE S89°25'44"W 60.02 FEET; THENCE ALONG THE PROPOSED NORTHERLY RIGHT-OF-WAY LINE OF 24 MILE ROAD (NORTH 1/2 BEING PROPOSED AS 60 FEET WIDE), S89°25'44"W 25.82 FEET; THENCE N00°34'16"W 10.00 FEET TO THE POINT OF BEGINNING; THENCE S89°25'53"W 154.00; THENCE N00°34'07"W 18.00 FEET; THENCE N00°34'07"W 18.00 FEET; THENCE N89°25'53"E 154.00 FEET; THENCE S00°34'07"E 18.00 FEET TO THE POINT OF BEGINNING.



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THE VILLAGE AT SHELBY  
EXHIBIT B CONTINUED

6. COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 9, THENCE ALONG THE EAST SECTION LINE (ALSO BEING THE CENTERLINE OF VAN DYKE AVENUE), N00°51'02"E 60.02 FEET; THENCE S89°25'44"W 60.02 FEET; THENCE ALONG THE PROPOSED NORTHERLY RIGHT-OF-WAY LINE OF 24 MILE ROAD (NORTH 1/2 BEING PROPOSED AS 60 FEET WIDE), S89°25'44"W 12.72 FEET; THENCE N00°34'16"W 9.14 FEET TO THE POINT OF BEGINNING; THENCE N45°34'07"W 17.50 FEET; THENCE N44°25'53"E 5.50 FEET; THENCE S45°34'07"E 17.50 FEET; THENCE S44°25'53"W 5.50 FEET TO THE POINT OF BEGINNING.

AND

7. COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 9, THENCE ALONG THE EAST SECTION LINE (ALSO BEING THE CENTERLINE OF VAN DYKE AVENUE), N00°51'02"E 60.02 FEET; THENCE S89°25'44"W 60.02 FEET; THENCE ALONG THE PROPOSED NORTHERLY RIGHT-OF-WAY LINE OF 24 MILE ROAD (NORTH 1/2 BEING PROPOSED AS 60 FEET WIDE), S89°25'44"W 510.19 FEET; THENCE N00°34'16"W 52.00 FEET TO THE POINT OF BEGINNING; THENCE 23.56 FEET ALONG A CURVE TO THE RIGHT (HAVING A CENTRAL ANGLE OF 90°00'00", A RADIUS OF 15.00 FEET AND A CHORD BEARING N45°34'16"W 21.21 FEET); THENCE N00°34'16"W 59.98 FEET; THENCE 47.25 FEET ALONG A TANGENT CURVE TO THE RIGHT (HAVING A CENTRAL ANGLE OF 67°40'54", A RADIUS OF 40.00 FEET AND A CHORD BEARING N33°16'11"E 44.55 FEET); THENCE N67°06'38"E 13.94 FEET; THENCE 15.58 FEET ALONG A TANGENT CURVE TO THE RIGHT (HAVING A CENTRAL ANGLE OF 22°19'15", A RADIUS OF 40.00 FEET AND A CHORD BEARING N78°16'16"E 15.49 FEET); THENCE N89°25'53"E 227.95 FEET; THENCE 23.56 FEET ALONG A TANGENT CURVE TO THE RIGHT (HAVING A CENTRAL ANGLE OF 89°59'51", A RADIUS OF 15.00 FEET AND A CHORD BEARING S45°34'12"E 21.21 FEET); THENCE S00°34'16"E 90.26 FEET; THENCE 23.56 FEET ALONG A TANGENT CURVE TO THE RIGHT (HAVING A CENTRAL ANGLE OF 90°00'00", A RADIUS OF 15.00 FEET AND A CHORD BEARING S44°25'44"W 21.21 FEET); THENCE S89°25'44"W 265.84 FEET TO THE POINT OF BEGINNING.



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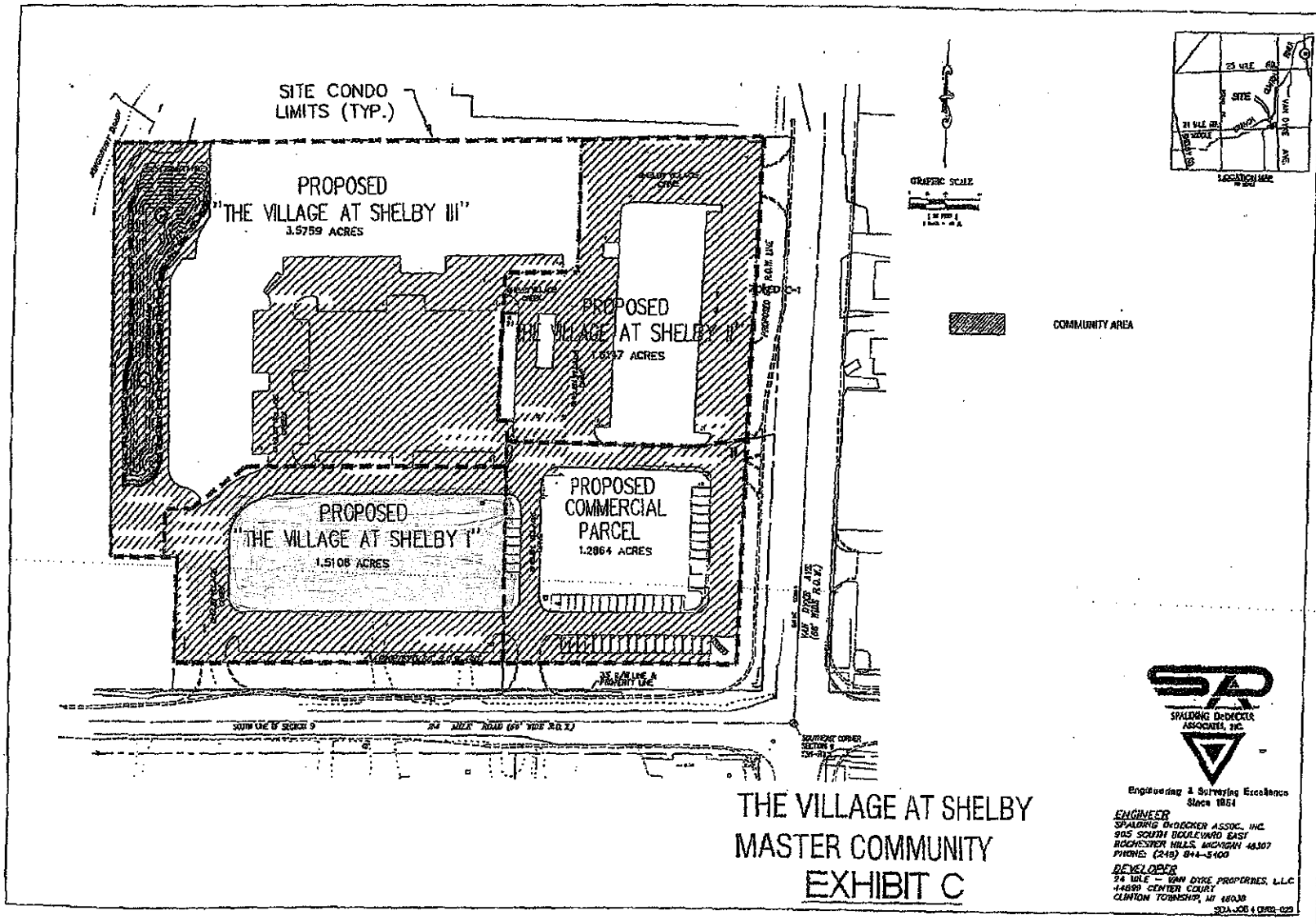
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