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# **DISCLOSURE STATEMENT**

for

## **ROLLING RIDGE I**

A Residential Condominium Project

located in

Genoa Township, Michigan

ROLLING RIDGE I is an eighty-three (83) Unit residential site condominium located in the Township of Genoa, Livingston County, Michigan. The Selective Group, Inc. ("Developer") has reserved the right to expand the Project to up to a maximum of 163 Units, in Developer's sole discretion. The Developer's right to expand the Project will expire six (6) years after the date of recording of the Master Deed.

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

**THIS DISCLOSURE STATEMENT IS NOT A SUBSTITUTE FOR THE MASTER DEED, THE CONDOMINIUM BUYER'S HANDBOOK OR OTHER APPLICABLE LEGAL DOCUMENTS AND BUYERS SHOULD READ ALL SUCH DOCUMENTS TO FULLY ACQUAINT THEMSELVES WITH THE PROJECT AND THEIR RIGHTS AND RESPONSIBILITIES RELATING THERETO.**

**ANY PURCHASER HAVING QUESTIONS PERTAINING TO THE LEGAL ASPECTS OF THE PROJECT IS ADVISED TO CONSULT HIS OR HER OWN LAWYER OR OTHER PROFESSIONAL ADVISOR PRIOR TO PURCHASING A CONDOMINIUM UNIT.**

Developer:

**THE SELECTIVE GROUP, INC.,**  
a Michigan corporation  
27655 Middlebelt Road, Suite 130  
Farmington Hills, Michigan 48334

Effective Date: January 27, 1998

# DISCLOSURE STATEMENT

## ROLLING RIDGE I

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### I. INTRODUCTION.

Under Michigan law, the Developer of a condominium project must fairly and accurately disclose to prospective purchasers the characteristics of the condominium units which it offers for sale. The required disclosure is made by furnishing each purchaser with a Disclosure Statement in a form which summarizes the significant features of the development as well as with copies of the legal documents required for the creation and operation of the condominium. In the following pages, THE SELECTIVE GROUP, INC., a Michigan corporation, which is the Developer of ROLLING RIDGE I (the "Condominium Project"), presents its Disclosure Statement containing the required narrative summary. This Statement, along with the legal documents referred to above, constitutes the only authorized description of ROLLING RIDGE I, and none of the Developer's sales agents or other representatives are permitted to vary their terms. To the extent any sales or promotional literature varies from this Disclosure Statement, only the contents of this Disclosure Statement will be binding on Developer.

### II. THE LEGAL CONCEPT OF CONDOMINIUMS.

A. General. A condominium is a legal means for dividing, describing and owning real property. A Unit in a condominium has the same legal attributes as any other form of real property under Michigan law. A condominium may be sold, mortgaged or leased subject only to such restrictions as are contained in the Condominium Documents ("Condominium Documents") and as otherwise may be applicable to the property.

Each Co-owner receives a deed to his or her individual condominium Unit. Each Co-owner owns, in addition to his or her Unit, an undivided interest in the other components ("common elements") of the Project. Title to the common elements is included as part of, and is inseparable from, title to the individual condominium Units. Each owner's proportionate share of the common elements is determined by the percentage of value assigned to his or her Unit in the Master Deed described in Section IV of this Disclosure Statement.

All portions of the Project not included within the Units constitute the common elements. Limited common elements are those common elements that are set aside for use by less than all Unit owners. General common elements are all common elements other than limited common elements.

The Project is administered generally by a non-profit corporation (similar to a homeowners' association) of which all owners are members (the "Association"). The nature and duties of the Association are described more fully in Section VI of this Disclosure Statement.

Except for the year in which the Project is established, real property taxes and assessments are levied individually against each Unit in the Project. The separate taxes and

assessments cover the Unit and its proportionate share of the common elements. No taxes or assessments are levied independently against the common elements. In the year in which the Project is established the taxes and assessments for the Units covered by the Master Deed or amendment usually are billed to the Association and are paid by the owners of such Units in proportion to the percentages of value assigned to the Units owned by them.

B. Condominium Building Sites. ROLLING RIDGE I is a site condominium and differs from the more traditional form of condominium because the condominium Units in this Project consist of only the individual building-sites, and the common elements generally do not include the buildings and other improvements to be constructed on the sites. Each condominium Unit consists of the space contained within the Unit boundaries, as shown in the Condominium Subdivision Plan, and delineated with heavy outlines. In the more traditional form of condominium Project, the Units consist of the air space enclosed within each of the buildings, and the common elements include the exterior structural components of the buildings. In ROLLING RIDGE I, each owner holds an absolute and undivided title to his or her Unit and to the Residence and other improvements located thereon (to the extent such improvements are not designated in the Master Deed as common elements). Each Unit owner is generally responsible for all construction, decoration, maintenance, repair and replacement of the Residence and other improvements located on his or her Unit. Unlike more traditional condominium projects, each owner in this Project will be responsible for maintaining fire and extended coverage insurance on his or her Unit and the Residence and other improvements located within it, as well as personal property, liability and other personal insurance coverage. The Association will maintain only liability insurance coverage for occurrences on the common elements and such other insurance on the common elements and otherwise as is specified in the Condominium Documents.

C. Other Information. Although the foregoing is generally accurate as applied to most condominium developments, the details of each development may vary substantially. Accordingly, each purchaser is urged to review carefully all of the documents contained in the ROLLING RIDGE I Purchaser Information Book as well as any other documents delivered to the purchaser in connection with this development. Any purchaser having questions pertaining to the legal aspects of the Project is advised to consult his or her own lawyer or other professional advisor.

### III. DESCRIPTION OF THE CONDOMINIUM PROJECT.

A. Size, Scope and Physical Characteristics of the Project. ROLLING RIDGE I is an eighty-three (83) unit residential site condominium Project located in the Township of Genoa, Livingston County, Michigan. The Project consists of eighty-three (83) building sites, each of which is a separate residential condominium Unit, together with the roadways and other improvements provided for common use by the owners of the Units. The Selective Group, Inc. (hereafter referred to as "Developer") has installed, or caused to be installed, the preparatory infrastructure for the Project, such as the roads and utility mains (up to but not including leads to each Unit) and all items which are designated as "must be built" on the Condominium Subdivision Plan.

Land located adjacent to the Project is the "Future Expansion Area", as shown on the Condominium Subdivision Plan. The Developer has reserved the right to add all or a part of this Future Expansion Area into the Project, from time to time, within a period ending six (6) years from the date of recording the Master Deed. The Developer has no obligation to further expand the Project. If the Developer elects, in its discretion, to expand the Project, such expansion will be accomplished by the recording of an appropriate amendment to the Master Deed with the Livingston County Register of Deeds in accordance with Section 32 of the Michigan Condominium Act and Article X of the Master Deed. The Future Expansion Area can be developed for any purpose permitted under the applicable laws and ordinances. No co-owner consent is required to further expand the Project or to otherwise develop the Future Expansion Area. The Developer has reserved easements over the roads and walkways within the Project to provide access to the Future Expansion Area, as well as easements to install, tap, and tie into the utilities within the Project for the benefit of the Future Expansion Area. These reserved easements are perpetual easements and survive beyond the six (6) year period in which the Developer can unilaterally amend the Master Deed to expand the Project.

Portions of the land included within the Condominium Project have been designated as wetlands, subject to regulation by the Michigan Department of Natural Resources and the Township of Genoa. No construction activity, dredging, filling, cutting or any other type of activity which could harm these protected areas will be permitted on the designated wetlands. All prospective purchasers should be aware that there are civil (and, in some instances, criminal) penalties for violating these restrictions.

B. Utilities. ROLLING RIDGE I is served by public water, sanitary sewers, storm sewers, gas, electric and telephone service.

(1) The Project lies within the Latson Road Drainage District established under Chapter 18 of the Drain Code. The Latson Road Drainage District is a private drainage district. The Livingston County Drain Commissioner has been granted the right to enter the Project and to maintain the Drain, and to charge the cost back among all Co-owners in the Project. Until the Livingston County Drain Commissioner accepts the Drain, the Association will have the responsibility for maintaining and repairing the Drain, and Genoa Township has been granted the right to enter the Project and carry out such maintenance responsibilities, and charge the cost back to the Co-owners, if the Association fails to properly carry out these responsibilities. All Co-owners should carefully review the provisions contained in Article VII of the Master Deed and in Article VI, Section 30 of the Condominium By-Laws regarding the Latson Road Drainage District and the rights and obligations imposed on the Association and all Co-owners of the Project. It is impossible to estimate with any degree of certainty future repair or replacement costs for the storm Drain improvements.

(2) All Residences are required to connect to the Genoa Township community water system prior to occupancy. Each Co-owner shall be responsible for paying any tap-in fees or assessments to connect to the community water system as well as to all other public utilities.

(3) Gas service is furnished by Consumers Energy Co.

(4) Electricity is furnished by Detroit Edison.

(5) Telephone service is provided by Ameritech.

(6) All utilities, other than utilities provided to service the common elements, will be separately metered for payment by the individual Unit owners.

(7) Water furnished to the common elements, such as for irrigation of the general common elements, will be billed directly to the Association (if and when connection to the public water system is permitted).

(8) The sanitary sewer, storm sewers and water mains are (or will, upon completion of construction and dedication) owned, operated and maintained by the Township of Genoa or such other public authority with jurisdiction over them. When Residences are constructed within Units, individual service leads from the mains to the Residences will be installed by the builder of the dwelling. The Co-owners will be responsible for maintaining and repairing the service leads relating to their individual Residences, to the extent such obligation is not assumed by the local utility company or governmental agency or authority.

(9) Cable television service is generally available in Genoa from the local franchisee, Media One of Brighton, Michigan. The cable wiring has been (or will be) installed in the Project, but the system has not yet been activated by the cable company. The Developer has no control over when cable service will be activated, and it cannot guarantee any specific activation date because the decision is not within its control.

#### C. Roads.

The internal roads in ROLLING RIDGE I are intended to be dedicated to the Livingston County Road Commission, which has indicated that it will accept the roads within the project for dedication when construction of the roads has been completed. Until completion of the roads and the completion of the dedication process, the roads within the Project will be private and will be required to be maintained by the Association. The Developer does not control when the dedication will be completed.

The Developer has reserved the right to dedicate the roads in the Project without the consent of any Co-owner or mortgagee. Upon completing the dedication, the Developer will record an Amendment to the Master Deed to reflect the dedication and to remove the roads as general common elements of the Project.

All Co-owners should be aware that even after the dedication process is complete, the Association may elect to separately contract for certain services relating to the roads, such as snow removal. The cost of any such services will be borne by the Association.

**D. Reserved Rights of Developer: Assignment.**

Certain rights have been reserved to Developer under the Master Deed and Bylaws. A summary of the rights reserved is set forth below. However, each purchaser should review the rights reserved in the Master Deed and Bylaws to assure a complete understanding of those rights. Developer has reserved the right to assign (in whole or in part) some or all of these rights.

(1) Right to Approve Improvements.— No structure, Residence or other improvement may be constructed, nor may exterior modifications of any type be made without the prior approval of Developer. Minimum construction and architectural standards have been established by Developer, which may be amended from time to time.

(2) Conduct of Commercial Activities. Developer has reserved the right, until all of the Units have been sold in the Project, to maintain on the Condominium premises sales offices, business offices, model Units, storage areas, reasonable parking incident to the use of such areas, and such access to, from and over the condominium premises as may be reasonable to enable development and sale of the entire Project. Developer has these same rights while it is selling Units and constructing Residences in the Project. Both Developer and Developer are obligated to restore the areas utilized by each of them to habitable status upon termination of use.

(3) Right to Amend. Developer has reserved the right to amend the Master Deed without approval from owners and mortgagees for the purpose of correcting errors and for any other purpose. Any amendment that would materially alter the rights of an owner or mortgagee may be made only with the approval of 66 2/3% of the owners and first mortgagees. Any amendment which would materially alter the rights of a Co-owner of a specific Unit would also require the consent of the Unit's Co-owner.

(4) Easements. The Condominium is subject to the following easements, restrictions, exceptions and agreements:

(a) Developer (on its behalf and on behalf of its successors or assigns) has reserved permanent easements for ingress and egress over the roads and walks in the Condominium and permanent easements to use, tap into, enlarge or extend all roads, walks and utility lines in the Condominium, including, without limitation, all communications, water, gas, electric, storm and sanitary sewer lines, and any pumps, sprinklers or water detention areas, all of which easements shall be for the benefit of the Future Expansion Area described herein, whether or not such Future Expansion Area is hereafter added to the Condominium and for the benefit of any other land adjoining the Condominium (or any expansion thereof) if now owned or hereafter acquired by Developer or its successors or assigns. These easements shall run with the land in perpetuity, and shall survive the six (6) year period for adding the Future Expansion Area to the Condominium. Developer has no financial obligation to support such easements, except that any dwelling unit using the roads, if such dwelling unit is not included within

the Condominium, shall pay a pro rata share of the expense of maintenance, repair, or replacement of the portion of the road which is used, which share shall be determined pro rata according to the total number of dwelling units using such portion of the road.

(b) Developer intends to, and by recordation of the Master Deed reserves the right and power to, dedicate all the roads in the Condominium to public use, and all persons acquiring any interest in the Condominium, including without limitation all Co-owners and Mortgagees, shall be deemed irrevocably to have appointed Developer and its successors as agent and attorney-in-fact to make such dedication and to act on behalf of all Co-owners and their Mortgagees in any statutory or special assessment proceedings with respect to the dedicated roads. After certificates of occupancy are issued for Residences in one hundred (100%) percent of the Units in the Condominium, including all Units located within any portion of the Future Expansion Area added to the Condominium, the foregoing rights and powers may be exercised by the Association. Upon dedication of the roads in the Condominium, the rights-of-way for said roads, including the landscaping, trees and sidewalks located therein (including sidewalks installed by Co-owners as required by Article IV of the Master Deed) shall be owned by the Livingston County Road Commission.

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

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

(e) With respect to Common Elements appurtenant to or located near Units, the Developer has or will create the following easements identified on the Condominium Subdivision Plan:

(1) "Clear vision easements" across portions of the Limited Common Element Yard Areas appurtenant to Units 36, 37, 38, 46, 67, 68 and 74 prohibiting construction, installation or maintenance of any improvement or landscaping within the easement that would create a safety



hazard by limiting or blocking the view of the roads within the Condominium; said clear vision easements being subject to expansion to include portions of Limited Common Element Yard Areas appurtenant to additional Units;

(2) A 40-foot wide easement across the General Common Element area located between the respective Limited Common Element Yard Areas appurtenant to Units 13 and 14 for ingress and egress to the Condominium roads by emergency vehicles;

(3) Easements for storm drainage across the General Common Element areas located between the respective Limited Common Element Yard Areas appurtenant to Units 65 and 66, Units 67 and 68, and Units 82 and 83; and

(4) Easements for storm drainage across portions of the Limited Common Element Yard Areas appurtenant to Units 2 through 21, both inclusive, and Units 75 and 76.

This list of easements is not all inclusion nor shall it be construed to limit the right to create easements reserved by the Developer in the Master Deed.

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

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

(h) The Developer, the Association and all public and private utility companies shall have such easements over, under, across and through the Condominium, including all Units and Common Elements, as may be necessary to develop, construct, market and operate any Units within the land described in Article II of the Master Deed (or any portion of the Future Expansion Area described in Article X of the Master Deed, which may be added to the Condominium from time to time), to fulfill

its responsibilities of maintenance, repair and replacement of common amenities or improvements (whether or not such common amenities or improvements are integrated into the Project) and also to fulfill any responsibilities of maintenance, repair, decoration or replacement which they or any of them are required or permitted to perform under the Condominium Documents or by law or to respond to any emergency or common need of the Condominium.

(i) Within all reserved easements for construction, installation and maintenance of public utilities, including drainage facilities, as shown on the Plan, unless necessary approvals are obtained from the Township of Genoa, the County of Livingston and any other appropriate governmental authority, and except for the paving necessary for each Residence's driveway, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of such service facilities and utilities, including underground electrical and telephone local distribution systems, or which may change, obstruct or retard the flow or direction of water drainage in and through the easements, nor shall any change, which may obstruct or retard the flow of surface water or be detrimental to the property of others, be made by the occupant in the finished grade of any Unit once established by the builder upon completion of construction of the Residence thereon. The easement area of each Unit and all improvements in it shall be maintained (in a presentable condition continuously) by the Unit Co-owner, except for those improvements for which a public authority or utility company is responsible, and the Unit Co-owner shall be liable for damage to service facilities and utilities thereon, including damage to electric, gas, and telephone distribution lines and facilities therein. Except as may be otherwise provided herein, each Unit Co-owner shall maintain the surface area of easements within the Co-owner's Unit, to keep weeds out, to keep the area free of trash and debris, and to take such action as may be necessary to eliminate or minimize surface erosion.

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

(k) The Developer has conveyed a permanent easement to the Township of Genoa for the conservation of the wetland areas and wetland buffer areas designated on the Condominium Subdivision Plan as "Easement for Wetland Preservation". The regulated wetland areas encumbered by said easement are required to be preserved in their natural state by the Association.

(l) Land located between the current west right-of-way line of Latson Road and the east boundary of the Condominium and north and south of Snowden Lane

has been excluded from the land committed to the Condominium by the recording of the Master Deed. The Developer, for itself and its successors or assigns, has granted a permanent, non-exclusive easement for ingress and egress across and over this land to all Co-owners and their tenants, guests, and invitees. The Developer has the right to convey and dedicate the land burdened by this easement to the Michigan Department of Transportation or the County of Livingston Road Commission, or any other appropriate governmental agency, without the necessity of obtaining any consent or approval from the Co-owners, Mortgagees or the Association, and, furthermore, upon such conveyance the easement rights shall automatically terminate.

(m) The Association has a permanent, non-exclusive easement across the land situated between the Latson Road right-of-way and the east boundary of the Condominium for the purpose of performing the maintenance, repair and replacement obligations imposed upon the Association in Article IV, subparagraph (e) of the Master Deed with respect to the split-rail fence (or any subsequent fence) and the bicycle path installed within that area. Unless and until the road identified on the Condominium Plan as Snowden Lane is dedicated to the Livingston County Road Commission or some other governmental entity, the easterly 33 feet of Snowden Lane shall be subject to an existing public easement for the current Latson Road right-of-way.

(n) The property upon which the Condominium is located is known as the "Lorentzen PUD" and is subject to a Planned Unit Development Agreement, which has been recorded with the Livingston County Register of Deeds in Liber 2038, Page 39, Livingston County Records (the "PUD Agreement"). The PUD Agreement includes certain development restrictions and requirements, which are binding on the Developer and all Co-owners in the Condominium, to the extent applicable.

(o) Developer has reserved the right to establish a permanent, nonexclusive easement for the use of the walking paths or trails installed within the General Common Element areas of the Condominium by the owners of the dwelling units which may be constructed by the Developer or Developer's affiliate within the Rolling Ridge II Area (legally described in Article XIII of the Master Deed) and the tenants, guests and invitees of such owners. If the Rolling Ridge II Area is developed as a residential condominium as currently planned and if the Township so requires, the easement created pursuant to this provision shall be a reciprocal easement in that it shall also provide the Co-owners of Units in this Condominium (and their tenants, guests and invitees) the right to use such walking paths or trails as may be installed within the general common elements which may be established in the residential condominium development planned for the Rolling Ridge II Area. Nothing in this provision shall be deemed to impose any obligation upon the Developer or its affiliates to proceed with the development of the Rolling Ridge II Area. **NEITHER DEVELOPER NOR ITS AGENTS HAVE MADE (OR ARE AUTHORIZED TO MAKE) ANY STATEMENT, REPRESENTATION OR WARRANTY WITH REGARD TO THE DEVELOPMENT (OR NON-DEVELOPMENT) OF ANY OTHER PROPERTY, INCLUDING, WITHOUT LIMITATION, THE ROLLING RIDGE II AREA.**

(p) Certain lands in the Project have been designated for surface water accumulation in connection with the proposed drainage easements and the establishment of a Chapter 18 Drainage District. All such lands shall continue to be used in such a manner so as to facilitate the proper drainage of the Project and shall be subject to a perpetual and permanent easement (the "Drainage Easement") in favor of the Livingston County Drain Commissioner, the County of Livingston and the Latson Road Drainage District administered by the Livingston County Drain Commissioner (collectively referred to as "Grantee"), and Grantee's successors, assigns and transferees, in, over, under and through the drainage easements as shown on the Condominium Subdivision Plan, which Drainage Easement(s) may not be amended or revoked except with the written approval of Grantee, and which contains the following terms and conditions and grants the following rights:

(1) The Drainage Easement shall be for the purpose of developing, establishing, constructing, repairing, maintaining, deepening, cleaning, widening and performing any associated construction activities and grading in connection with any type of drainage facilities, storm drains, or related appurtenances, in any size, form, shape or capacity;

(2) The Grantee shall have the right to sell, assign, transfer or convey this Drainage Easement to any other governmental unit;

(3) No Co-owner in the Condominium Project shall build or convey to another any permission to build any permanent structures on the said Drainage Easement; No Co-owner in the Condominium Project shall build or place on the area covered by the Drainage Easement any other type of structure, fixture or object, or engage in any activity or take any action, or convey any property interest or right, that would in any way either actually or threaten to impair, obstruct, or adversely effect the rights of Grantee under said Drainage Easement;

(4) The Grantee and its agents, contractors and designated representatives shall have right of entry on and gain access to the Drainage Easement property and shall repair and restore, in a timely manner, the Drainage Easement property to its condition immediately prior to such entry. Subject to Grantee's obligation to repair and restore the Drainage Easement property, all Co-owners in the Condominium Project release Grantee and its successors, assigns and transferees from any and all claims to damages to the Drainage Easement property in any way arising from or incident to the construction and maintenance of a drain or sewer or otherwise arising from or incident to the reasonable exercise by Grantee of its rights under the said Drainage Easement, and all Co-owners covenant not to sue Grantee for damages consistent with the release provisions contained herein.

(5) The Grantee and Grantee's successors or assigns shall have the right to add additional land, including, without limitation, the Rolling Ridge II Area,

to the Latson Road Drainage District without the consent of any Co-owner, mortgagee or any other party having an interest in a Unit. Any and all such added land shall benefit from the Drainage Easement created to fulfill the purposes of the aforesaid drainage district.

The rights granted to the County of Livingston, the Livingston County Drain Commissioner and/or the Latson Road Drainage District and their successors and assigns, under this subparagraph may not be amended without the express written consent of the Grantee hereunder. Any purported amendment or modification of the rights granted hereunder shall be void and without legal effect unless agreed to in writing by the Grantee, its successors and assigns.

(q) Developer, either directly or through any affiliated entity, has the right, but not the obligation, to create a permanent, non-exclusive easement for the benefit of the Co-owners and their tenants, guests and invitees over and across the area referred to in Article XIII of the Master Deed as the "Rolling Ridge II Area" to provide for ingress and egress to and for the use of the common recreational facilities which may be constructed within the Rolling Ridge II Area as described in Article XIII of the Master Deed. Nothing in this provision shall be construed to impose any obligation on the Developer or its affiliates or assigns to create the easement described herein or to proceed with the development of the Rolling Ridge II Area or to construct any specific improvements within that area. However, if the Developer or an affiliate or assign of the Developer constructs the common facilities described in Article XIII and creates the easement described herein, all Co-owners shall automatically become members of any separate association that may be established to administer the aforesaid facilities and all Co-owners shall be required to contribute to the assessments required for the maintenance, repair and replacement of said facilities as described in Article XIII of the Master Deed and Article II, Section 12 of the By-Laws.

(r) Developer has reserved the right to establish a 20-foot wide, permanent, non-exclusive easement for the extension of sanitary sewer lines under the General Common Element open area situated between the Limited Common Element Yard Areas appurtenant to Units 13 and 14 as shown on Sheet 3 of the Plan.

(s) Developer has reserved the right to expand and enlarge the easements described above by amending the Master Deed and the Plan attached as Exhibit "B" pursuant to the right of amendment reserved in Article VIII, subparagraph (c) of the Master Deed without the consent of any Co-Owner or Mortgagee.

(5) Enforcement of Bylaws and Approval Rights. Developer has reserved the right to enforce the Bylaws as long as it owns any Unit in the Project. Additionally, upon the later of: (i) the expiration of the Development and Sales Period (as defined in the Master Deed); and (ii) the date when certificates of occupancy have been issued for Residences on one hundred (100%) percent of the Units that may be created in the Project, as the same may be expanded pursuant to Article X of the Master Deed (or earlier upon the written assignment of

the Developer, in its sole discretion), the Board of Directors of the Association shall exercise all such powers, and Developer shall have no further responsibilities with respect to any matters of approval or enforcement set forth herein.

(6) General. In the Condominium Documents and in the Condominium Act, certain rights and powers are granted or reserved to the Developer to facilitate the development and sale of the Project as a condominium, including the power to approve or disapprove a variety of proposed acts and uses and the power to secure representation on the Board of Directors of the Association.

(7) Preparatory Infrastructure. As noted above, the entire preparatory infrastructure of the Project, including but not limited to the placement and construction of all utility mains, roadways are designated as "must be built" on the Condominium Subdivision Plan. No other improvements have been designated as "must be built", including, without limitation, the construction of Residences within Units.

#### IV. LEGAL DOCUMENTATION.

A. General. ROLLING RIDGE I was established as a condominium project pursuant to the Master Deed recorded in the Livingston County Records and contained in the ROLLING RIDGE I Purchaser Information Book. The Master Deed includes the Bylaws as Exhibit A and the Condominium Subdivision Plan as Exhibit B.

B. Master Deed. The Master Deed contains the definitions of certain terms used in the Condominium Documents, the percentage of value assigned to each Unit in the condominium Project, a general description of the Units and common elements included in the Project and a statement regarding the relative responsibilities for maintaining the common elements. Article IV of the Master Deed defines the common elements of the Project.

C. Bylaws. The Bylaws contain provisions relating to the operation, management and fiscal affairs of the condominium and, in particular, set forth the provisions relating to assessments of Association members for the costs of operating Project. Article VI contains certain restrictions upon the ownership, occupancy and use of the Project.

Article VI also contains provisions permitting the adoption of rules and regulations governing the common elements. At the present time no rules and regulations have been adopted by the Board of Directors of the Association.

**EACH PURCHASER IS STRONGLY ENCOURAGED TO REVIEW THE MASTER DEED AND BY-LAWS CAREFULLY.**

D. Condominium Subdivision Plan. The Condominium Subdivision Plan is a two-dimensional survey depicting the physical location and boundaries of each of the Units and all of the common elements in the Project.

## V. THE DEVELOPER AND OTHER SERVICE ORGANIZATIONS.

A. Background and Experience. The Selective Group, Inc., a licensed residential builder, is a Michigan corporation whose address is 27655 Middlebelt Road, Suite 130, Farmington Hills, Michigan 48334. Affiliates of Developer have developed several condominium projects, such as The Meadows, Nova Woods, Essex Club, Oxford Estates and Ramblewood Forest Estates in Farmington Hills, Michigan; Kirkway Pines in Bloomfield Township, Michigan; River Meadow in Canton Township, Michigan; Elizabeth Lake-Woods in Waterford Township, Michigan; Glenview Estates in Plymouth Township, Michigan; Maple Creek in West Bloomfield Township, Michigan; and Haverhill Farms in Novi, Michigan. Affiliates of Developer have also constructed homes in numerous single family subdivisions, such as Three Oaks and Hunters Pointe in Farmington Hills, Michigan and High Oaks in Troy, Michigan; and have developed single family subdivisions such as Maplewoods II and Stonebridge in West Bloomfield, Michigan; Woodlore North in Plymouth Township, Michigan; Spring Lake in Independence Township, Michigan; Timber Ridge, Greenwood Oaks, Barclay Estates in Novi, Michigan; and Cobblestone in Canton Township, Michigan. These other projects are being listed for illustration purposes only, and purchasers of Units in ROLLING RIDGE I should understand that Developer is not necessarily legally connected with these entities.

B. Brokers. Selective Realty, Inc., a Michigan corporation, whose address is 27655 Middlebelt Road, Suite 130, Farmington Hills, Michigan 48334, is the real estate broker for the Project. The salespersons on site at the Project are licensed realtors through Selective Realty, Inc. **Selective Realty, Inc. and the Developer are separate legal entities and are not legally connected.**

C. Legal Proceedings Involving the Condominium Project or the Developer. The Developer is not presently aware of any legal proceedings involving the Condominium Project or the Developer.

D. Residential Builder. The Units will be constructed by the Developer, which is a licensed residential builder.

## VI. OPERATION AND MANAGEMENT OF THE CONDOMINIUM PROJECT.

A. The Condominium Association. The responsibility for management and maintenance of the Project is vested in the ROLLING RIDGE I Association, which has been incorporated as a non-profit corporation under Michigan law. The Articles of Incorporation of the Association are contained in the Purchaser Information Book. The Bylaws include provisions that govern the procedural operations of the Association. The Association is governed by its Board of Directors, the initial members of which are designees of Developer.

Within 120 days after closing the sales of 25% of the Units, one of the five directors will be selected by the non-Developer owners; within 120 days after closing the sales of 50% of the Units, not less than two of the five directors will be selected by the non-Developer owners; and

within 120 days after closing the sales of 75% of the Units, the non-Developer owners will elect all five directors, except that the Developer or its assignee will have the right to designate at least one director as long as it owns at least eight Units in the Project. Regardless of the number of Units conveyed, 54 months after the first conveyance, non-Developer owners may elect directors in proportion to the number of Units they own.

Within 120 days after closing the sales of 33% of the Units or one year from the date of the first conveyance, whichever first occurs, the advisory committee must be established to serve as liaison between the non-Developer owners and the Developer.

For purposes of determining when closings or sales on the applicable percentage of Units has occurred as described in the preceding paragraphs and in the paragraph below, the number of Units taken into account includes the additional 80 Units that may be created in the Future Expansion Area.

The First Annual Meeting may be convened any time after 50% of the Units have been sold and must be held on or before the expiration of 120 days after 75% of the Units have been sold or within 54 months after conveyance of the first Unit, whichever first occurs. At the First Annual Meeting, the members of the Association will elect directors, and the directors in turn will elect officers for the Association.

The Developer's voting rights are set forth in Article VIII of the Bylaws.

B. Percentages of Value. The percentages of value for ROLLING RIDGE I were computed on the basis of the relative areas of the Units in the Project. Because of the similarity of the Units, it was decided that it would be most equitable if all Units were assigned the same value. The percentage of value assigned to each Unit determines, among other things, the value of each owner's vote and his or her proportionate share of regular and special Association assessments and of the proceeds of administration of the Project. The percentages of value are equal.

C. Project Finances.

(1) Budget. Article II of the Bylaws requires the Board of Directors to adopt an annual budget for the operation of the Project. The initial budget was formulated by Developer, and is intended to provide for the normal and reasonably predictable expenses of administration of the Project, and includes a reserve for major repairs to and replacement of common elements. Inasmuch as the budget must necessarily be prepared in advance, it reflects estimates of expenses made by the parties. To the extent that estimates prove inaccurate during actual operation and to the extent that the cost of goods and services necessary to service the Condominium Project change in the future, the budget and the expenses of the Association also will require revision. The current budget of the Association has been included as Exhibit "A" to this Disclosure Statement.



(2) Assessments. Each Co-owner of a Unit, including the Developer, must contribute to the Association to defray expenses of administration. While the Developer is obligated to contribute to the Association for such purpose, its contributions are determined differently than the other owners' contributions are determined under Article II of the Bylaws. The Board of Directors may also levy special assessments in accordance with the provisions of Article II, Section 2(c) of the Bylaws. Assessments for Association dues will be collected annually in advance, although the Developer (and ultimately the Association) reserves the right to collect the assessments quarterly or monthly.

(3) Foreclosure of Lien. The Association has a lien on each Unit to secure payment of Association assessments. The Bylaws provide that the Association may foreclose its lien in the same fashion that mortgages may be foreclosed by action or by advertisement under Michigan law. By closing on the purchase of a Unit, each purchaser will be deemed to have waived notice of any proceedings brought by the Association to foreclose its lien by advertisement and notice of a hearing prior to the sale of his Unit.

(4) Other Possible Liabilities. Each purchaser is advised of the possible liability of each owner under Section 58 of the Condominium Act:

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

D. Management of Condominium. At this time, the Developer contemplates engaging Ralph Manuel Associates to provide professional management services, and the budget attached as Exhibit "A" contains a line item for the management fees, although no contract has been entered into as of the Effective Date of this Disclosure Statement.

E. Insurance.

(1) Title Insurance. The Purchase Agreement used by Developer provides that Developer shall furnish its purchaser a commitment for an owner's title insurance policy issued by Lawyers Title Insurance Corporation (or another title insurance company acceptable to Developer) at or prior to closing, and that the policy itself shall be provided within a reasonable time after closing. The cost of the commitment and policy is to be borne by Developer. Each purchaser should review the title insurance commitment with a qualified advisor of his or her choice prior to closing to make certain that it conforms to the requirements of the Purchase Agreement.

(2) Other Insurance. The Condominium Documents require that the Association carry fire and extended coverage for vandalism and malicious mischief and liability

insurance and workers' compensation insurance, if applicable, with respect to all of the common elements of the Project. The insurance policies have deductible clauses and, to the extent thereof, losses will be borne by the Association. The Board of Directors is responsible for obtaining insurance coverage for the Association. Each owner's pro rata share of the annual Association insurance premiums is included in the annual assessment. The Association insurance policies are available for inspection during normal working hours. A copy of the certificate of insurance with respect to the condominium Project will be furnished to each owner upon request.

Each Co-owner is responsible for obtaining fire and extended coverage insurance on his or her Unit, the Residence, and other improvements located thereon and the appurtenant limited common elements, as well as personal property, liability and other individual insurance coverage to the extent indicated in Article IV of the Bylaws. Each owner must deliver a certificate of insurance to the Association annually in order to confirm that the required insurance coverage is being maintained. If an owner fails to maintain any such insurance coverage or to provide evidence thereof to the Association, the Association may obtain such insurance and collect the cost thereof from the delinquent owner. The Association should periodically review all insurance coverage to be assured of its continued adequacy and owners should each do the same with respect to their individual insurance.

F. Restrictions on Ownership, Occupancy and Use. Article VI of the Bylaws sets forth specific restrictions on the ownership, occupancy and use of a Unit in the condominium Project, as well as specific approval processes and requirements before any construction or improvement can be made on a Unit. Due to the importance of these restrictions and requirements, a copy of Article VI of the By-Laws is attached to this Disclosure Statement as Exhibit "B" in lieu of a summary. Each purchaser is strongly encouraged to carefully review Article VI of the By-Laws. Some of the restrictions do not apply to the commercial activities or signs of the Developer or Developer.

## VII. RIGHTS AND OBLIGATIONS AS BETWEEN DEVELOPER AND OWNERS.

A. Before Closing. The respective obligations of Developer and the purchaser of a Unit in the Project prior to closing are set forth in the Purchase Agreement and the accompanying Escrow Agreement. Those documents should be closely examined by all purchasers in order to ascertain the disposition at closing of earnest money deposits advanced by the purchaser, anticipated closing adjustments, and other important matters. The escrow agreement provides, pursuant to Section 103b of the Condominium Act, that the escrow agent shall maintain sufficient funds or other security to complete those improvements shown as "must be built" on the Condominium Subdivision Plan until such improvements are substantially complete. This provision does not, however, pertain to any dwelling or other appurtenances to be constructed on the building site, but relates only to the improvements (such as utilities and roadways) requisite to placing each Unit (site) in a condition suitable for issuance of a building permit, which improvements are shown as "must be built" on the Condominium Subdivision Plan. Improvements that "must be built" with relation to condominium building sites such as those in ROLLING RIDGE I, include such improvements as are necessary to obtain a building permit for

the construction of a dwelling, but do not include the costs of construction of the dwelling itself, for which no such escrow is required. Developer will deposit the "Initial Deposits" received from Purchasers into escrow with Lawyers Title Insurance Corporation. All additional Progress Payments will be paid directly to Developer, and will not be deposited in escrow. Funds retained in escrow are not to be released until conveyance to a purchaser of title to a Unit and confirmation by the escrow agent that all improvements labeled "must be built" are substantially complete.

B. At Closing. Each purchaser will receive by warranty deed, fee simple title to his or her Unit, subject to no liens or encumbrances other than the Condominium Documents and those other easements and restrictions that are specifically set forth in the Condominium Documents and title insurance commitment.

C. After Closing.

(1) General. Subsequent to the purchase of the Unit, relations between a Project and the owner are governed by the Master Deed and the Condominium Act, except to the extent that any contractual provisions of the Purchase Agreement are intended to survive the closing.

(2) Condominium Project Warranties. If Developer constructs the Residence on a Unit, the only warranty regarding the Unit and common elements is contained in the Limited Warranty to be provided at closing. The terms and conditions of the Limited Warranty are intended to survive the closing. **OTHER THAN AS SET FORTH IN THE LIMITED WARRANTY, THE DEVELOPER MAKES NO WARRANTIES OR REPRESENTATIONS REGARDING THE UNITS OR THE RESIDENCES TO BE CONSTRUCTED THEREON. NO OTHER WARRANTY OR REPRESENTATION IS MADE, AND ALL WARRANTIES OF ANY KIND, WHETHER IMPLIED OR EXPRESS, FITNESS FOR A PARTICULAR PURPOSE OR ANY WARRANTY OF HABITABILITY ARE EXPRESSLY DISCLAIMED.**

#### VIII. ROLLING RIDGE COMMUNITY/Common Facilities.

The Developer intends, but is not obligated, to construct certain recreational facilities, including a swimming pool and club house (the "Common Facilities"), within Rolling Ridge II, a residential condominium development planned for the area immediately south of the Condominium (the "Rolling Ridge II Area"). The Master Deed and related documents recorded to establish Rolling Ridge II may assign responsibility for administration, maintenance, repair and replacement of the Common Facilities to the condominium association established to administer the affairs of Rolling Ridge II or, alternatively, the Developer may establish a separate community association as a non-profit corporation under the laws of the State of Michigan for that purpose. **NOTWITHSTANDING ANY OF THE FOREGOING, NOTHING IN THE MASTER DEED OR EXHIBITS THERETO SHALL CREATE AN OBLIGATION OF ANY SORT FOR THE DEVELOPMENT OF THE ROLLING RIDGE II AREA BY DEVELOPER OR ANY OF ITS AFFILIATES OR ANY THIRD PARTIES.**

The Common Facilities may be used by the owners and tenants, guests, and invitees of the owners of (a) Units within the Condominium, including any Units established within the Future Expansion Area; (b) any residence constructed within any part of the Future Expansion Area not included in the Condominium; and (c) any residence constructed within Rolling Ridge II Condominium or such other development as may be constructed within the Rolling Ridge II Area by the Developer or its affiliate. If the Developer or an affiliate of the Developer develops the Rolling Ridge II Area, Developer, either directly or through an affiliate, intends, but is not obligated, to create easements for ingress and egress to and for the use of the Common Facilities by those identified herein as-permitted users of-said-facilities-in the condominium documents or such other documents as may be recorded in the records of Livingston County in connection with the development of the Rolling Ridge II Area.

If Developer (or an affiliate or assign of the Developer) constructs the Common Facilities and creates the above described easements for the use of said facilities, all Co-owners of Units in the Condominium (and all other owners of residences entitled to use the Common Facilities) will automatically be granted membership in any community association established to administer the Common Facilities and such membership will be required (not voluntary). Whether imposed by a community association specifically established for the purpose of administering the Common Facilities or by the condominium association established for Rolling Ridge II Condominium, assessments required for the cost of maintaining, repairing and replacing the Common Facilities shall be charged and paid on a pro rata basis by the Co-owners of Units and all others entitled to use the Common Facilities as described in Article XIII of the Master Deed. Such assessments may be assessed directly to the Co-owners of Units or to the Condominium Association. Pursuant to Article II, Section 12 of the Bylaws, all such assessments shall constitute a lien upon the assessed Unit if not paid when due and whatever association is authorized to collect said assessments shall have all of the remedies provided in the Bylaws for collection of unpaid assessments imposed by the Association with respect to this Condominium, including, without limitation, the right to record notices of lien against the affected Unit and the right to foreclose such liens by advertisement and/or to commence judicial action to collect such assessments.

Whether administered by the condominium association established in connection with the development of the Rolling Ridge II Area or by a separate community association, the Co-owners of Units shall have a vote on the operation and management of the Common Facilities equal in weight to their pro-rata share of the costs of administration and maintenance of said facilities. Disputes regarding the use, administration, repair and replacement of the Common Facilities shall be subject to arbitration pursuant to a provision similar to Article III of the Bylaws for this Condominium, which provision shall be included in the Bylaws of the condominium or community association that administers the Common Facilities. If the condominium association established in connection with the development of the Rolling Ridge II Area administers the Common Facilities, the books and records pertaining to the administration, operation, repair and replacement of said facilities shall be kept separate from the books and records pertaining to that association's other operations and shall be made available upon reasonable notice and at reasonable times to all owners entitled to use the Common Facilities, including all Co-owners.

**THE DEVELOPER HAS NO LEGAL OBLIGATION TO CONSTRUCT THE COMMON FACILITIES OR TO CREATE EASEMENTS THAT WOULD PERMIT THE USE OF SUCH FACILITIES, BUT RESERVES THE RIGHT TO DO SO WITHOUT THE PRIOR CONSENT OF ANY CO-OWNER, MORTGAGEE OR ANY OTHER PERSON OR ENTITY INTERESTED IN THE PROJECT OR THE FUTURE EXPANSION AREA, FROM TIME TO TIME.** Assessments to cover the costs of maintenance, repair and replacement of the Common Facilities will not be charged until the Common Facilities are constructed and operational, although the purchasers of Units may be charged an initial assessment at the time of closing on a Unit for the establishment of a reserve account for the maintenance, repair and replacement of the Common Facilities, once constructed.

**IX. PURPOSE OF DISCLOSURE STATEMENT.**

This Disclosure Statement has been prepared in good faith, in reliance upon sources of information believed to be accurate, and in an effort to disclose material facts about the Project. Each purchaser is urged to engage a competent lawyer or other advisor in connection with deciding whether to purchase a Unit. In accepting title to a Unit, each purchaser shall be deemed to have waived any claim or right arising out of or relating to any immaterial defect, omission or misstatement in this Disclosure Statement. The terms used herein are defined in the Condominium Act.

The Michigan Department of Consumer and Industry Services published The Condominium Buyers Handbook that has been delivered to you. The Developer does not assume any obligation, liability or responsibility as to the statements contained in or omitted from The Condominium Buyers Handbook.

The descriptions of the Master Deed and other instruments contained herein are summary only and may or may not completely and adequately express the content of the various Condominium Documents. Each purchaser is referred to the original Master Deed and other original instruments as contained in the Purchaser Information Booklet. Legal phraseology, technical terms and terms of art have been minimized and brevity has been the objective to the extent consistent with the purposes of the Disclosure Statement and rules of the Michigan Department of Consumer and Industry Services.

**EXHIBIT "A"**

**ROLLING RIDGE I ASSOCIATION  
BUDGET FOR INITIAL UNITS**

## EXHIBIT "B"

### "ARTICLE VI RESTRICTIONS

**Section 1. Uses Permitted.** No Unit shall be used for other than residential purposes and construction of a Residence and other permitted Structures therein in conformance with the Condominium Documents. No Co-owner shall carry on any commercial activities anywhere on the premises of the Condominium. Notwithstanding the foregoing, Developer may conduct any of the activities expressly described in the Master Deed or its exhibits.

**Section 2. Architectural Controls.**

(a) **Purpose of Architectural Controls.** The Developer intends and desires that all Structures within the Condominium be architecturally harmonious and pleasing and that the design and location of such Structures take into account the preservation of trees and the natural environment of the Condominium. In order to insure that such goals are accomplished, the Developer shall, in its sole discretion, have the right to approve or disapprove the appearance, construction, materials, proposed location, design, specifications and any other attribute of any Structure.

(b) **Prior Approval of Proposed Structures.** Except as otherwise expressly provided herein, the Developer shall have exclusive jurisdiction over the rights of approval and enforcement set forth in the Condominium Documents. A Co-owner may only construct, install or place on a Unit (or appurtenant Limited Common Element Yard Area) those Structures that have been approved in writing by the Developer in the manner set forth herein. Developer may construct or authorize any improvements on a Unit (or appurtenant Limited Common Element Yard Area) that Developer, in its sole discretion, elects to make without the prior consent of the Association or any other person or entity, subject only to the express limitations in the Condominium Documents. Before constructing any Residence or making any exterior improvement, change, or elevation change upon any Unit (or appurtenant Limited Common Element Yard Area), a Co-owner shall receive the written approval of the Developer. No application for a building permit or any other governmental approval of construction shall be filed until written approval of the Developer is received. The Developer shall approve in advance the licensed residential builder engaged by the Co-owner to construct a Residence and any other improvements upon the Co-owner's Unit (or appurtenant Limited Common Element Yard Area). The Developer may require that such builder or Co-owner furnish to the Association adequate security, in the Developer's sole discretion, to protect the Association against costs and expenses it might incur in connection with the failure of the builder or Co-owner to complete construction in a timely and diligent manner in accordance with the approved plans and specifications for the Residence and other improvements. No Structure may be built, installed, or placed upon or in any Unit (or appurtenant Limited Common Element Yard Area) unless the Co-owner of such Unit has first obtained the Developer's written approval of the following documentation:

(i) Survey. A topographic survey of the Unit and appurtenant Limited Common Element Yard Area prepared and certified by a licensed engineer or architect showing existing and proposed grades, the location of all trees in excess of three (3") inches in diameter, and the proposed location of each Structure located or to be located upon the Unit and appurtenant Limited Common Element Yard Area.

(ii) Architectural Plans. Construction and architectural plans prepared and certified by a licensed engineer or architect including dimensioned floor plans, typical sections and all elevations for the Structure to be constructed upon or in the Unit.

(iii) Specifications. Specifications for each Structure prepared and certified by a licensed engineer or architect setting forth the type and quality of all materials and workmanship and including a detailed finish schedule for all exterior materials, products and finishes, with actual samples of all exterior materials.

(iv) Construction Schedule. A construction schedule specifying the commencement and completion dates of the construction of the Structures, as well as such other dates as the Developer may specify for completion of stages of the Structures.

A Co-owner shall submit two copies of the above specified documents to the Developer, and the Developer shall retain one copy of each document for its records. The Developer shall have thirty (30) days after receipt of all required plans and specifications to issue a written approval or denial. If the Developer fails to issue a written approval or denial of the plans and specifications within the 30-day period, then written approval will not be required and the plans and specifications shall be deemed to comply with this Section.

(c) Assignment of Developer's Approval Rights. Developer's rights under this Article VI, Section 2 may, in Developer's sole discretion, be assigned to the Association, a "Successor Developer" (as defined in Section 135 of the Act), or other successor to Developer. There shall be no surrender of this right prior to the issuance of certificates of occupancy of Residences in all of the Units in the Condominium, except in a written instrument in recordable form executed by Developer and specifically assigning to the Association or other successor(s) to Developer the rights of approval and enforcement set forth in this Section 2 of Article VI. From and after the date of such assignment or later expiration of Developer's exclusive powers, the Board of Directors of the Association shall exercise all such powers, and Developer shall have no further responsibilities with respect to any matters of approval or enforcement set forth herein.

Section 3. Building Restrictions. Except as otherwise permitted herein, no Structure may be constructed, installed or placed on a Unit and/or appurtenant Limited Common Element Yard Area, except for one detached Residence which shall not exceed the zoning ordinance height limitations of the Township of Genoa and which Residence shall include an attached two-car garage and appropriate driveway and parking areas, subject further to the following restrictions:



(a) Minimum Residence Size. All Residences built in the Condominium shall contain the minimum square footage required at the time of construction by the Township of Genoa. In addition, each Residence shall contain, at a minimum, the following "livable floor areas":

(i) A one story Residence shall have a minimum livable floor area of 1,200 square feet.

(ii) A one and one-half story Residence shall have a minimum livable floor area of 1,400 square feet.

(iii) A two story Residence shall have a minimum livable floor area of 1,400 square feet.

As used herein, "livable floor area" shall be calculated by measuring from internal wall to internal wall, and shall exclude garages, patios, decks, open porches, terraces, basements, storage sheds and like areas even if attached to the Residence. Livable floor area shall include, however, enclosed porches if the roof of the porch forms an integral part of the Residence. Developer reserves the right, in its sole discretion, to increase the minimum livable floor area for all unbuilt Residences in the Condominium.

(b) Site Boundary Lines. In no event shall a Structure be placed, erected, installed or located on any Unit nearer to the front, side or rear Unit boundary lines than is permitted by the ordinances of the Township of Genoa at the time the Structure is built.

**ALL RESIDENCES MUST BE CONSTRUCTED WHOLLY WITHIN THE BOUNDARIES OF THE UNITS AND NO ENCROACHMENTS INTO THE LIMITED COMMON ELEMENT YARD AREAS SHALL BE PERMITTED WITHOUT THE PRIOR WRITTEN APPROVAL OF THE DEVELOPER, THE ASSOCIATION, AND, IF REQUIRED BY LAW, GENOA TOWNSHIP.**

(c) Completion of Construction and Landscaping. Construction of a Residence must commence within six (6) months after acquisition of a Unit, unless a different time period is approved by Developer, in its sole discretion. The exterior of all Residences and other Structures must be completed as soon as practical after construction has commenced, except where such completion is impossible or would result in great hardship to the owner or builder due to strikes, fires, national emergency or natural calamities. All Units shall be sodded and appropriately landscaped within 90 days of occupancy. If, however, occupancy of the Residence occurs after October 1, then the Unit shall be sodded and appropriately landscaped by June 1 of the following year.

(d) Garages. All garages shall be attached to the Residence. Developer shall have the sole and conclusive authority to determine whether a proposed garage design is attached to the Residence. Front entry garages will be permitted; provided, however, that front entry garages shall not extend more than two (2') feet beyond the front porch.

(e) Roofs. Flat roofs are prohibited.

(f) Driveways. All driveways shall be paved with concrete or asphalt and shall be completed prior to occupancy, if weather permits.

(g) Sidewalks. Each Co-owner, in conjunction with the construction of the Residence within his Unit, shall install a paved sidewalk within the road right-of-way adjoining the boundary of the Limited Common Element Yard Area appurtenant to his Unit in conformance with specifications to be provided by the Developer.

(h) Front Porches. A minimum of sixty (60%) percent of the Residences in the Condominium will be required to have front porches of a size not less than sixty (60) square feet (the "Extended Front Porches"). Nothing contained herein shall limit the construction of more than sixty (60%) percent of Extended Front Porches in the Condominium Project. All Extended Front Porches must be covered.

(i) Varied Front Elevations. No substantially similar front elevation in style and color of any Residence shall be duplicated on any Unit as follows: For residences on the same side of the street as the Residence, no substantially similar front elevation in style and color will be permitted within a distance of less than three residences on either side of the Residence. For residences across the street from the Residence, no substantially similar front elevation in style and color will be permitted directly across the street from the Residence or within one residence on either side thereof. The Developer may, in its sole discretion, waive this requirement, and any waiver shall not be construed as conferring upon any other Co-owner the right to a waiver of this restriction.

(j) Air Conditioners and Similar Equipment. No external air conditioning unit shall be placed in or attached to a window or wall in the front of any Residence. No external air conditioning unit shall be placed in or attached to any window or wall of any Residence without the prior written approval of the Board of Directors. No compressor or other component of a central air conditioning system (or similar system, such as a heat pump) shall be so located upon any Unit so as to be visible from the street on which such Unit fronts, and to the extent reasonably possible, all such external equipment shall be located on the Unit so as to minimize the negative impact thereof on any adjoining Unit in terms of noise and appearance. In general, such equipment shall be located only in the rear yard (not in any side yard area), within five (5') feet of the rear wall of the Residence.

(k) Tree Protection and Preservation. Trees located upon Units shall be preserved if required by any applicable ordinances of the Township of Genoa. In addition, trees measuring six (6") inches or more in diameter at forty-two (42") inches above ground level may not be removed without the written approval of the Developer. Prior to commencement of construction, each Co-owner shall submit to the Developer a plan for the preservation of trees in connection with the construction process. The Co-owner shall not commence construction unless such plan is approved by the Developer. It shall be the responsibility of each Co-owner to maintain and preserve all large trees within his or her Unit, which responsibility includes welling trees, if necessary.

(l) Public Utilities. All public utilities such as water main, sanitary sewers, storm sewers, gas mains, electric and telephone local distribution lines, cable television lines, and all connections to same, either private or otherwise, shall be installed underground. However, above-ground transformers, pedestals and other above-ground electric and telephone utility installations and distribution systems and surface and off-site drainage channels and facilities, as well as street lighting stanchions shall be permitted.

(m) Public Utility and Drainage Easement Areas. Easements for the construction, installation and maintenance of public utilities, and for drainage facilities, are reserved as shown on the Condominium Subdivision Plan. Within all of the foregoing easements, unless the necessary approvals are obtained from the appropriate municipal authority and except for the paving necessary for each Residence's driveway, no Structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of such service facilities and utilities, including underground electrical and telephone local distribution systems, or which may change, obstruct or retard the flow or direction of water in and through drainage in the easements, nor shall any change which may obstruct or retard the flow of surface water or be detrimental to the property of others be made by the Co-owner in the finished grade of any Unit once established by the builder upon completion of construction of the Residence thereon. The easement area of each Unit and all improvements in it shall be maintained (in a presentable condition continuously) by the Co-owner, except for those improvements for which a public authority or utility company is responsible, and the Co-owner shall be liable for damage to service facilities and utilities thereon, including damage to electric, gas, and telephone distribution lines and facilities therein. Except as may be otherwise provided herein, each Co-owner shall maintain the surface area of easements within the Co-owner's Unit, to keep weeds out, to keep the area free of trash and debris, and to take such action as may be necessary to eliminate or minimize surface erosion.

Section 4. Activities. No noxious or offensive activity shall be performed upon any Unit, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the occupants or Co-owners's of other Units. There shall not be maintained any animal or device or thing of any sort whose normal activities or existence is in any way noxious, noisy, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the reasonable enjoyment of other Units in the Condominium. The Board of Directors of the Association shall be the final arbiter of whether a particular animal, device or thing is in violation of the foregoing restrictions. No Co-owner shall do or permit anything to be done or keep or permit to be kept in the Co-owner's Unit, Residence or on the Common Elements anything that will increase the cost 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, which increased cost may be assessed to and collected from the Co-owner in the manner provided in Article II hereof. Neither this Section 4 or any other provision of these Bylaws shall be deemed to prohibit or limit the easement reserved to the Developer and its designee for exploration for and the extraction of minerals from the land committed to the Condominium.

**Section 5. Aesthetics.** The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in the Master Deed or in duly adopted rules and regulations of the Association. All rubbish, trash, garbage and other waste shall be regularly removed from each Unit and shall not be allowed to accumulate therein. Trash receptacles shall at all times be maintained inside each individual garage and shall not be permitted to remain elsewhere except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. It shall be the responsibility of each Co-owner to prevent the development of any unclean, unsightly or unkempt condition of buildings or grounds on the Co-owners's Unit. No lawn ornaments, sculptures or statues shall be placed or permitted to remain on any Unit without the prior written permission of the Board of Directors. No unsightly condition shall be maintained upon any courtyard, deck, patio or porch and only furniture and equipment consistent with ordinary courtyard, deck, patio or porch use shall be permitted to remain there during seasons when the same are reasonably in use and no furniture or equipment of any kind shall be stored on decks, patios or porches during seasons when the same are not reasonably in use. Neither the Unit nor the Limited Common Element Yard Area surrounding each Unit shall be used in any way for the drying, shaking, or airing of clothing or other fabrics. Except by the Developer so long as Developer owns and offers for sale at least one (1) Unit in the Condominium, no building materials, landscaping materials or firewood shall be stockpiled on any Unit or appurtenant Limited Common Element Yard Area. In general, no activity shall be carried on nor condition maintained by a Co-owner, either within a Unit or appurtenant Limited Common Element Yard Area or upon the Common Elements, which is detrimental to the appearance of the Condominium.

**Section 6. Animals or Pets.** No animals or fowl (except household pets) shall be kept or maintained on any Unit at any time. Any pets kept in the Condominium shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No animal may be permitted to run loose upon the Common Elements, and any animal shall at all times be attended by a responsible person while on the Common Elements. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify the Association and hold it harmless for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property.

**Section 7. Vehicles.** No trailers, boats, aircraft, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobile trailers, jet skis, jet ski trailers or other recreational vehicles, or any other vehicles, other than passenger cars, passenger vans, pick-up trucks and so-called "Blazer"-type vehicles shall be parked or maintained on any Unit unless in a suitable private garage built in accordance with the restrictions set forth in the Condominium Documents. No vehicle that is used to promote a commercial enterprise, or used in connection with such an enterprise, shall be parked in the Condominium, or on any Unit, unless parked in a garage as provided above, except while making deliveries or pickups in the normal course of business. Except for ingress and egress by emergency vehicles across the easement provided for that purpose across the General Common Element area between the Limited Common Element Yard Areas appurtenant to Units 13 and 14, the use of motorized vehicles of any kind in the open areas designated as General Common Element on the Condominium Subdivision Plan is expressly prohibited.

**Section 8. Basketball Hoops and Play Areas.** Basketball hoops and play areas are permitted subject to strict compliance with the following restrictions:

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

(b) Any basketball hoop or backboard shall be located at the back or side of a Residence or garage and shall be appropriately screened by landscaping, all of which shall be subject to the Developer's prior approval, in its sole discretion, based on the location of the Unit.

**Section 9. Signs, Advertising and Mailboxes.** No commercial signs, except "for sale" signs of a normal and usual size, shape and material, shall be erected or maintained on any Unit or Limited Common Element Yard Area except with the written permission of the Board of Directors or except as may be required by legal proceedings. If such permission is granted, the Board of Directors shall have the right to restrict size, color and content of such signs. All mailboxes, delivery receptacles and the like shall be of a standard color, size and style determined by the Board of Directors and shall be erected only in areas designated by the Board of Directors.

**Section 10. Rules and Regulations.** Reasonable regulations consistent with all laws and the Condominium Documents concerning the use of the Common Elements or the rights and responsibilities of the Co-owners and the Association with respect to the Condominium or the manner of operation of the Association and of the Condominium may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners or posted on a General Common Element. Any such regulation or amendment may be revoked at any time by the affirmative vote of a majority of the Co-owners.

**Section 11. Public Road Access Restriction.** The sole means of access for every Unit in the Condominium to and from Latson Road shall be over the Condominium roads depicted on the Condominium Subdivision Plan. Direct access to Latson Road from any Unit is prohibited. This provision may not be amended without the prior written approval of the Township of Genoa or the Livingston County Road Commission, as the case may be.

**Section 12. 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 Board of Directors or unless the landscaping or planting are permitted by rules duly adopted by the Association. Under no circumstances shall a Co-owner install landscaping or plant trees, shrubs or flowers within any "clear vision easement" established adjacent to a Condominium road which limits or blocks the view of the road.

**Section 13. Television Antenna and Similar Devices.** Except for saucer-shaped devices of no more than eighteen (18") inches in diameter, no outside television antenna or other antenna, aerial, saucer, dish or similar device shall be placed, constructed, altered or

maintained on any Unit, unless the Board of Directors determines in its sole discretion that the absence of an outside antenna causes substantial hardship with respect to a particular Unit. Notwithstanding the foregoing, any Co-owner shall be permitted to install an antenna for reception of direct television broadcasting or reception of video programming by wireless cable (otherwise known as multichannel multipoint distribution) so long as such installation conforms with such reasonable rules and regulations as may be imposed by the Association in support of safety and aesthetic concerns within limits proscribed by the Federal Communications Commission and so long as any antenna installed for wireless cable reception does not measure more than 39 inches in diameter or in diagonal measurement. --

**Section 14. Dog Kennels and Similar Shelters.** During the Development and Sales Period, no dog kennel, dog run or similar shelter shall be constructed or maintained upon a Unit without prior architectural review and written approval by the Developer. After the Development and Sales Period has elapsed, no such structure shall be constructed or maintained upon a Unit without the prior review and written approval of the Board of Directors of the Association.

**Section 15. Outbuildings and Other Structures.** No Structure of a temporary character shall be placed upon any Unit at any time. No temporary occupancy shall be permitted in an unfinished Residence. The use of a trailer for materials and supplies to be used in the construction of a Residence and which shall be removed from the premises upon enclosure of the Residence, may be allowed with the written consent of the Board of Directors which shall have the sole discretion to approve or disapprove same. No old or used building of any kind shall be brought on any Unit or into the Condominium. No accessory building shall be permitted on any Unit. No mobile home, trailer, house or camping trailer, tent, shack, tool storage shed, barn, tree house or other similar outbuilding or Structure shall be placed on any Unit at any time, either temporarily or permanently. Plans for a swimming or bath house must be specifically approved by the Developer.

**Section 16. Swimming Pools.** No above ground swimming pool shall be erected or maintained upon any Unit. No in-ground swimming pool shall be erected or maintained upon or in any Unit without a permit duly issued by the Township of Genoa and the prior written approval of the Board of Directors as to size, location, materials and type of construction, including the design of any fencing required by the Township of Genoa. The maximum height and linear footage of any fencing permitted by this Section shall not exceed the minimum allowed by the Township of Genoa. Chain-link fences of any kind are expressly prohibited.

**Section 17. Fences.** No fence or wall of any kind shall be erected or maintained on any Unit without the express prior written consent of the Board of Directors, which shall have the sole and absolute discretion to determine the suitability of any such fence or wall. No fence, wall or hedge shall be located nearer to any front lot line than is permitted by the Zoning Ordinance of the Township of Genoa. No fence, wall or hedge shall be maintained or erected which blocks or hinders vision at street intersections, including any fence, wall or hedge that would obstruct or limit vision across a "clear vision easement" established adjacent to any road within the Condominium. No full yard or chain-link fencing shall be permitted.

**Section 18. Co-owner Maintenance.** Each Co-owner shall maintain the Unit owned, the Residence constructed therein and any Limited Common Elements appurtenant thereto for

which the Co-owner has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall likewise maintain the portion of the road right-of-way located between the boundaries of the Limited Common Element Yard Area appurtenant to his Unit and the curb of the road in a safe, clean and sanitary condition. All vacant and unimproved Units must remain free of debris, litter and trash and be cleaned up regularly. All grass and weeds on any vacant and unimproved Unit must be mowed at least once monthly or more often if required by the Developer. Where a Residence is under construction within a Unit, all debris, construction debris, unusable materials, litter and trash must be cleaned up and removed every Friday afternoon and more often if required by the Board of Directors. 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 utilities located in or on 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 the Co-owner or the Co-owner's 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 19. Common Elements. The Common Elements shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and absolutely intended. No Co-owner may leave personal property of any description (including by way of example and not limitation: bicycles, vehicles, chairs and benches) unattended on or about the Common Elements. Use of all Common Elements may be limited to such times and in such manner as the Board of Directors shall determine by duly adopted regulations.

Section 20. Alterations and Modifications of the Common Elements. No Co-owner shall make changes in any of the Common Elements, limited or general, without the express written approval of the Board of Directors. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium as provided herein.

Section 21. Weapons. No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his or her family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, sling shots, or other similar weapons, projectiles or devices anywhere on or about the Condominium.

Section 22. Leasing and Rental. Co-owners, including the Developer, may rent any number of Units at any time for any term of occupancy of not less than six (6) months and covering not less than the entire Unit, subject to the following:

(a) Disclosure of Lease Terms to Association. A Co-owner, including the Developer desiring to rent or lease a Unit shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association with a copy of the exact lease form

for its review for compliance with the Condominium Documents. If Developer desires to rent Units before the Transitional Control Date, it shall notify either the Advisory Committee or each Co-owner in writing.

(b) Compliance with Condominium Documents. Tenants and non-owner occupants shall comply with all of the conditions of the Condominium Documents and all leases and rental agreements shall so state.

(c) Procedures in the Event of Noncompliance with Condominium Documents. If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following actions:

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

(iii) If after 30 days the Association believes that the alleged breach is not cured or may be repeated, it may institute an action for eviction against the tenant or non-owner occupant and, in the same action sue the Co-owner and tenant or non-owner occupant for money damages 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. If the Association is under the control of the Developer, individual Co-owners may pursue the judicial relief provided in this subparagraph (c)(iii) derivatively on behalf of the Association.

(d) Notice to Co-owner's Tenant Permitted When Co-owner is in Arrears to the Association for Assessments. 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 the Residence within the 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 further assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant.

Section 23. Condominium Grading Plan and Surface Water Drainage. The grade of any Unit in the Condominium may not be changed from the grading plan established for the Condominium by the Developer and approved by the Township of Genoa without the prior written consent of the Board of Directors and any governmental authority having jurisdiction.



(a) **Surface Drainage Grades.** It shall be the responsibility of each Co-owner to maintain the surface drainage grades of the Co-owner's Unit as established by the Developer. Each Co-owner covenants not to change the surface grade of the Co-owner's Unit in a manner which will materially increase or decrease the storm water flowing onto or off of the Co-owner's Unit. Each Co-owner further covenants not to block, pond or obstruct surface water. The Board of Directors of the Association shall enforce these covenants and may enter upon any Unit in the Condominium to correct any violation of these covenants. The Board shall charge the cost of the correction to the Co-owner and such costs shall be a lien upon the Co-owner's Unit.-

(b) **Footing Drains.** It shall be the responsibility of each Co-owner to assure that the footing drains on the Co-owner's Unit, if any, are clear of obstruction and are installed in accordance with the drainage system established for the Condominium. It shall be the responsibility of each Co-owner to maintain the footing drains within the Co-owner's Unit. If any Co-owner shall fail to maintain the footing drains or shall fail to have such drains properly installed as part of the storm water drainage system, the Association may enter upon such Co-owner's Unit and perform all necessary connections, repairs and maintenance of the footing drains. The costs for such connections, repairs and maintenance shall be charged to the Co-owner and shall be a lien upon the Co-owner's Unit.

**Section 24. Non-Disturbance of Wetlands.** A portion of the land in the Condominium is open space which includes wetland areas protected by the Goemaere-Anderson Wetland Protection Act, Public Act No. 203 of 1979. These areas are shown on the Condominium Subdivision Plan. Under the provisions of the Goemaere-Anderson Wetland Protection Act, activities affecting wetland areas may only be undertaken after a permit has been obtained from the Michigan Department of Natural Resources. Restricted activities include any disturbance of a wetland by depositing material in the wetland, dredging or removing material from the wetland, draining water from the wetland and constructing, operating or maintaining any use or development in the wetland. In order to assure that no inadvertent violations of the Goemaere-Anderson Wetland Protection Act occur, no Co-owner may disturb the wetland areas contained in the areas designated as parks in the Condominium Subdivision Plan. In addition, no fertilizers may be used by the Co-owners which may, in the estimation of the Association acting through its Board of Directors, damage any wetlands which may be located within or bordering on the Condominium. The Association may ban fertilizers which may damage any such wetlands from use in the Condominium.

**Section 25. Reserved Rights of Developer.**

(a) **Prior Approval by Developer.** Until certificates of occupancy are issued for Residences in all of the Units in the Condominium (including Units that may be established in the Future Expansion Area), no buildings, landscaping, paving, fences, walls, retaining walls, drives, decks, walks or other Structures or improvements shall be commenced, erected, maintained nor shall any addition to, or change or alteration to any Structure be made (including in color or design), except interior alterations of Residences, until plans and specifications are approved by the Developer as provided in Section 2 of this Article VI.

(b) Developer's Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards of the Developer with respect to unoccupied Units owned by the Developer, or of the Association in furtherance of its powers and purposes. Notwithstanding anything to the contrary elsewhere herein contained, until all Units in the entire planned Condominium are sold by Developer (including Units established within the Future Expansion Area), 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 Condominium as may be reasonable to enable development and sale of the entire Condominium by the Developer.

(c) Enforcement of Bylaws. The Condominium shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private residential community for the benefit of the Co-owners and all persons having an interest in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace or landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair and or replace any Common Elements and/or do any landscaping required by the Bylaws and charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws prior to the First Annual Meeting, which right of enforcement shall include without limitation an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

(d) Site Maintenance. Developer reserves for itself and for the Association and their respective agents the right to enter upon any Unit for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, which in the opinion of Developer detracts from the overall beauty, setting and safety of the Condominium. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be deemed a trespass. Developer and the Association and their respective agents may likewise enter upon such land to remove any trash which has collected on such Unit without such entrance and removal being deemed a trespass. The provisions of this subparagraph shall not be construed as an obligation on the part of the Developer or the Association to mow, clear, cut, or prune grass or plants on any Unit nor to provide garbage or trash removal services.

Section 26. Special Assessments for Road Improvements. At some time subsequent to the initial development of the Condominium, it may become necessary to pave or improve some or all of the roads within or adjacent to the Condominium. The improvement may be financed, in whole or in part, by the creation of a special assessment district or districts which may include the Condominium. The acceptance of a conveyance or the execution of a land contract by any Co-owner or such purchaser of a Unit shall constitute the agreement by such Co-owner or purchaser, and his or her heirs, executors, administrators and assigns, that the Board of Directors of the Association shall be vested with full power and authority to obligate all Co-owners to participate in a special assessment district, sign petitions requesting said special assessment, and consider and otherwise act on all assessment issues on behalf of the Association and all Co-owners; provided, that prior to signature by the Association on a petition

for improvement of such public roads, the desirability of said improvement shall be approved by an affirmative vote of not less than 51% of all Co-owners. No consent of mortgagees shall be required for approvals of said public road improvement.

Section 27. Community Water System. All Residences are required to connect to the Genoa Township community water system prior to occupancy. Each Co-owner shall be responsible for paying any tap-in fees or assessments to connect to the community water system as well as to all other public utilities.

Section 28. Township of Genoa Ordinances. All Co-owners shall be required to comply with the minimum requirements contained in the Township of Genoa ordinances, unless stricter requirements are contained in the Master Deed and these Condominium By-Laws, in which event the stricter requirements shall control.

Section 29. PUD Agreement. The property upon which the Condominium is located is known as the "Lorentzen PUD" and is subject to a Planned Unit Development Agreement, which has been recorded with the Livingston County Register of Deeds in Liber 2038, Page 39, Livingston County Records (the "PUD Agreement"). The PUD Agreement includes certain development restrictions and requirements, which are binding on the Developer and all Co-owners in the Condominium, to the extent applicable.

Section 30. Chapter 18 Drainage District. No Co-owner shall construct any improvement or take or cause any other action that will conflict with or impair the use and enjoyment of the easement rights conferred in Article VII, subparagraph (p) of the Master Deed with respect to the Latson Road Drainage District described therein.

Section 31. Unit Limited Common Element Yard Area. All restrictions to "Units" hereunder and elsewhere in the Condominium Documents shall also include the "Limited Common Element Yard Areas" appurtenant to said Units, whether or not specifically stated.

Section 32. Common Facilities. All Co-owners shall comply with such rules and regulations as may be established for the use of the Common Facilities by the condominium or community association responsible for the operation of said facilities. Each Co-owner shall be responsible for any damage to the Common Facilities caused by that Co-owner, the members of his family, or his tenants, guests and invitees and each such Co-owner shall promptly reimburse the association responsible for operating the Common Facilities for the cost of restoring the damaged Common Facility."