

PURCHASER INFORMATION BOOKLET
FOR
LONE OAK OF RED MILL POND CONDOMINIUM
A Condominium Project
in
City of Tecumseh, Lenawee County, Michigan

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Condominium Buyer's Handbook

LONE OAK OF RED MILL POND
RECEIPT OF PURCHASER INFORMATION BOOKLET AND EXPLANATION
OF SECTION 84a OF THE CONDOMINIUM ACT

Dear Potential Purchaser:

You have agreed to receive the various disclosures required under the Michigan Condominium Act electronically. The Uniform Electronic Transactions Act may require various consents and assurances with respect to the use of electronic records, disclosures and signatures. To assure compliance with any such requirements we ask that you initial each of the following boxes and return a hard copy of this Receipt to Allen Edwin Homes, 2186 E. Centre Ave., Portage, MI 49002.

_____ I/We have agreed to receive the Purchaser Information Booklet by electronic transmission.

_____ I/We understand that this consent to electronic transmission may be revoked at any time.

_____ I/We understand that "hard" or "printed" copies of the Purchaser Information Booklet are available to me at any time, at no added cost for the initial Booklet.

At this time, we are furnishing you with a Lone Oka of Red Mill Pond Purchaser Information Booklet which includes:

- A. Residential Builder's Disclosure Statement;
- B. Recorded Master Deed with Condominium Bylaws attached as Exhibit "A" and Condominium Subdivision Plan attached as Exhibit "B"; and any amendments thereto;
- C. Recorded Declarations and Covenants, and any amendments thereto;
- D. Purchase Agreement used by Allen Edwin Homes;
- E. Escrow Agreement used by Allen Edwin Homes;
- F. Lone Oak of Red Mill Pond Condominium Association Articles of Incorporation
- G. Lone Oak of Red Mill Pond Community Association Articles of Incorporation; and
- H. Condominium Buyers Handbook.

This receipt additionally acknowledges that Allen Edwin Homes is neither the Developer nor the Successor Developer of the project. We are providing copies of the above described documents to assist the purchaser in evaluating the project.

As provided in Section 84a of the Michigan Condominium Act, as amended, your Purchase Agreement, including all addenda, if any, (a copy of which you previously received or which is delivered herewith) cannot become binding until the elapse of nine (9) business days from today. During that time, you should be sure to carefully read the accompanying documents which control the operation of the Project and are of extreme importance to you in understanding the nature of the interest which you are purchasing and your relationship with the Condominium Project, its Co-Owners and the Developer. Please sign and return to us the additional copy of this Receipt to acknowledge that it and the above-described documents have been delivered to you.

RECEIPT OF DESCRIBED DOCUMENTS ACKNOWLEDGED BY:

Unit No.: _____

Buyer

Dated: _____

Buyer

Dated: _____

(If more than one (1) purchaser, all must sign.)

LONE OAK OF RED MILL POND
A Site Condominium Community
City of Tecumseh, Michigan

RESIDENTIAL BUILDER DISCLOSURE STATEMENT

Provided By:

ALLEN EDWIN HOME BUILDERS, LLC
2186 E. Centre Ave.
Portage, MI 49002

Allen Edwin Home Builders, LLC is neither the developer nor successor developer for Lone Oak of Red Mill Pond, which is a residential site condominium project in the City of Tecumseh, Lenawee County, Michigan (the “Project”).

Green Development Ventures, LLC, an affiliate of Allen Edwin Home Builders, LLC, purchased multiple units in the Condominium Project. It is anticipated that Allen Edwin Home Builders, LLC (“Builder”) will construct homes and sell units within the Project.

Builder diligently tried but was unable to locate the original disclosure statement prepared by the developer of the Project, Lone Oak Properties of Red Mill, LLC (the “Developer”). Neither Green Development Ventures, LLC nor Builder are affiliated with the Developer. This Residential Builder Disclosure Statement is not a substitute for the disclosure statement the Developer was obligated to prepare and should not be relied upon as such.

THIS RESIDENTIAL BUILDER DISCLOSURE STATEMENT IS NOT A SUBSTITUTE FOR THE DEVELOPER’S DISCLOSURE STATEMENT, 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 TO THE PROJECT.

IT IS RECOMMENDED THAT YOU CONSULT WITH AN ATTORNEY OR OTHER PROFESSIONAL ADVISOR PRIOR TO PURCHASING A CONDOMINIUM UNIT.

Effective Date: January 19, 2024

Prepared by:

Eric J. Guerin
2186 E. Centre Ave.
Portage, MI 49002

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INTRODUCTION

Condominium development in Michigan is governed by a statute called the Michigan Condominium Act, MCL 559.101 et seq. (the “Act”), and by rules adopted by the Michigan Department of Licensing and Regulatory Affairs. On the following pages, Allen Edwin Home Builders, LLC (“Builder”), has provided certain information about Lone Oak of Red Mill Pond site condominium project (the “Project”), to assist a prospective buyer in reviewing the Project. This residential builder disclosure statement (the “Disclosure Statement”), together with copies of the Master Deed (the “Master Deed”), the Condominium bylaws (the “Condominium Bylaws”), and other legal documents intended for the creation and operation of the Project (together the Condominium Documents), are furnished to each buyer to fulfill the requirements of the Act.

THE SITE CONDOMINIUM CONCEPT

Condominium is a form of real property ownership. Under Michigan law, the portion of the condominium that is individually owned has the same legal attributes as any other form of real estate and may be sold, mortgaged, or leased subject to the restrictions in the Condominium Documents. A condominium project is established by recording a master deed in the office of the register of deeds for the county where the project is located.

Each owner of a condominium in the Project (an “Owner” or “Co-owner”) will own a lot on which a residence may be built (a “Unit”), to which the Owner receives a warranty deed, and is one of a number of mutual owners of common facilities (the “Common Elements”) that serve both the Owner’s condominium and other condominiums in the Project. The Units and the Common Elements are described generally in the Master Deed, and each Unit’s boundaries and dimensions are shown in the condominium subdivision plan (the “Subdivision Plan”) attached to the Master Deed. All portions of the Project that are not included within the Units constitute the Common Elements and are owned by all Owners in undivided proportions equal to the percentages of value assigned to each Unit in the Master Deed. Limited Common Elements are those Common Elements that are set aside for the use of less than all Unit Owners. All other Common Elements are designated as General Common Elements for the use of all Unit Owners.

The interrelationship of individual ownership of Units and joint ownership of common elements requires that certain restrictions be imposed on the use of the Units and the Common Elements for the mutual benefit of all. The restrictions are in the Condominium Bylaws, which are recorded as part of the Master Deed. The Condominium Documents are prepared with the goal of allowing each Owner individual freedom and discretion without permitting any one Owner to infringe on the rights and interests of the group. All Owners must be familiar with and abide by the restrictions if Unit living is to be an enjoyable experience.

DESCRIPTION OF THE PROJECT

A. Size, Scope and Physical Characteristics of the Project.

Lone Oak of Red Mill Pond is a residential site condominium project located in the City of Tecumseh, Lenawee County, Michigan. Based upon the Master Deed, the Project consists of sixty-five (65) residential building sites, sometimes referred to as Units.

Each Unit in the Project is equivalent to a fully improved building site, with utility service available at the Unit boundaries. All Units are accessible by private roads.

The land outside of Unit boundaries, walkways, roads, landscaping and common utility lines, are all General Common Elements which are owned and used in common by all Co-owners. Designated individual Co-owners also have an exclusive right to use and responsibility to maintain certain Limited Common Elements of the Project.

B. Reserved Rights of Developer; Assignment.

Certain rights have been reserved to Developer under the Master Deed and Bylaws. Each purchaser should review the rights reserved in the Master Deed and Bylaws to assure a complete understanding of those rights.

CONDOMINIUM DOCUMENTS

Lone Oak of Red Mill Pond was established as a condominium project by the recording of a Master Deed in the office of the Lenawee County Register of Deeds, a copy of which either has been or will be delivered to each purchaser at least nine business days before closing. The Condominium Bylaws and the Condominium Subdivision Plan, a survey establishing the physical relationship and location of each of the Units in the Project, are attached as exhibits to the Master Deed. Other Condominium Documents include the articles of incorporation of Lone Oak of Red Mill Pond Condominium Association, (the "Association"), a nonprofit corporation that serves as the association of owners for the Condominium, and articles of incorporation of Lone Oak of Red Mill Pond Community Association, a nonprofit corporation that serves as an association of owners for the Lone Oak of Red Mill Pond Community.

The Master Deed contains a definition of terms used to describe the Project, the relative value assigned to each Unit for assessment and voting purposes, a description of both the Limited and General Common Elements in the Project, and a statement about the responsibility of the individual Owners and of the Association for upkeep and maintenance of the Common Elements. All Units in the Project have been assigned an equal value by Developer after reviewing the comparative size, market value, location, and allocable expenses of maintenance. The Master Deed also reserves to Developer the right to contract the Project within defined limits and to modify the number, size, style, and location of any Units or Common Elements in the Project that have not been sold or that are not subject to a binding purchase agreement by an amendment or series of amendments to the Master Deed. Such amendments do not require the consent of any Owner or mortgagee if the changes do not unreasonably impair or diminish the appearance of the Project or the view,

the privacy, or another significant attribute of any Unit that adjoins a modified Unit or Common Element.

The Condominium Bylaws contain provisions relating to the operation, management, and fiscal affairs of the Condominium, including authorization for the levy of both regular and special assessment of the Owners to pay for the costs of operation. Restrictions on the ownership, occupancy, and use of Condominium Units in the Project are listed in the Condominium Bylaws, which also contain provisions allowing the Association to adopt additional rules and regulations governing the use of the Units and the Common Elements that are not inconsistent with the Condominium Bylaws.

The Condominium Subdivision Plan contains a survey of the Condominium land showing the location of all roadways, walkways, and common utility systems together with all those other common elements of the Project that can be shown on the drawings.

BUILDER'S BACKGROUND AND EXPERIENCE

Allen Edwin Home Builders, LLC and its affiliates/predecessors have built a significant number of homes throughout the State of Michigan since 1995.

ADMINISTRATION OF THE PROJECT

The responsibility for management and maintenance of the Project is vested in Lone Oak of Red Mill Pond Condominium Association (the "Association"), which was incorporated by the Developer as a non-profit corporation under Michigan law. Each Unit Owner automatically becomes a member of the Association when he purchases a Unit in the Project. Since each Unit in the Condominium has been assigned an equal percentage of value, the owner of each Unit will be entitled to one vote at all meetings of the Association and will share equally with all other owners in the expenses and proceeds of administration.

The Association was formed by certain individuals acting at the request of the Developer. These persons constituted the initial Board of Directors of the Association and will control its affairs until a new Board of Directors is elected. The composition of the Board as between Developer representatives and non-Developer Co-owners will thereafter be adjusted from time to time under the formula described in Section 3.4 of the Condominium Bylaws. The initial meeting of the members of the Association must be within 120 days after legal or equitable title to 75% of the Units which may be created in the Project has been conveyed to non-Developer Co-owners, but in no event later than 54 months after the first conveyance of title to a non-Developer Owner has been made.

Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of one-third of the Units in the Project, or one year after the initial conveyance of a Unit to such a person, whichever first occurs, two or more persons will be selected from among the non-Developer Co-owners to serve as an advisory committee to the Board of Directors. The advisory committee is intended to function as an informal organization with which the Board can consult on matters concerning the Project. The Board will attempt to meet with the advisory committee at least twice each year. At such meetings, the Developer intends to provide the advisory committee with information about the development of the Project and to receive recommendations from the committee. In the

event an advisory committee is formed, the members will be appointed by and serve at the pleasure of the Developer.

The Condominium Bylaws of the Association permit the hiring of a professional manager or management company to manage the Project. Additional information about the organization and operation of condominiums in Michigan may be found in the Condominium Buyer's Handbook published by authority of the Michigan Department of Licensing and Regulatory Affairs, a copy of which either has or will be furnished to you.

PROJECT WARRANTIES

Builder has no information regarding any warranties that may have been made by the Developer. Builder is neither the developer nor successor developer and has no responsibilities in connection with the Common Elements of the Project.

ESCROW REQUIREMENTS

Section 83 of the Condominium Act, MCL 559.183, requires that all reservation deposits received from a prospective purchaser under a Preliminary Reservation Agreement must be deposited in an escrow account with an authorized escrow agent. In the event that the prospective purchaser decides to cancel the Preliminary Reservation Agreement, all such deposits must be refunded to him within three (3) business days after notice of cancellation is received.

Section 84 of the Condominium Act, MCL 559.184, requires that all payments received from a prospective purchaser under a Purchase Agreement must also be deposited in the escrow account, and must be refunded if the Purchase Agreement is canceled within nine (9) business days after receipt by the Purchaser of the Condominium Documents which the Builder is required to furnish under Section 84(a). Upon expiration of such withdrawal period, the Builder may be required to retain sufficient amounts in the escrow account or provide other adequate security as provided in Section 103(b) of the Act to ensure the completion of those uncompleted structures and improvements which are labeled "must be built" under the terms of the Condominium Documents.

Pursuant to Section 84(3), such funds need not be deposited in escrow if such funds are not required by other provisions of the Act to be retained in escrow after the closing. Pursuant to Section 103b(5), the Builder has elected to provide the Escrow Agent with evidence of lending commitments, together with an indemnification agreement, having a value of not less than the amount that would otherwise be retained pursuant to Section 103b(3) of the Act.

BUDGET AND ASSESSMENTS

The Condominium Bylaws require that the Board of Directors adopt an annual budget for the operation of the Project. Each Owner will be required to pay an annual assessment which will be based on the Unit's Percentage of Value, as defined in the Master Deed. An Owner's responsibility for assessments is explained more fully in the Master Deed and Condominium Bylaws.

Amounts projected as expenses of the Association do not include individual expenses for utilities, maintenance or repair of any residential buildings or other improvements located within the boundaries of a Unit, nor for real property taxes on the Units, all of which are billed individually to and will be the responsibility of individual Unit Owners.

USE RESTRICTIONS AND CONSTRUCTION REQUIREMENTS

Prospective purchasers should carefully review the Master Deed and Condominium Bylaws regarding the restrictions and construction requirements.

ENFORCEMENT PROVISIONS

Compliance with use restrictions may be enforced by the levy of fines, or by legal action seeking damages or an injunction against the offending owner. The Board may also take direct action to correct any condition which violates the Condominium Bylaws, may prohibit use of the Common Elements by an Owner in default, or may elect to discontinue furnishing services to the Unit involved upon 7 days' notice to the Co-owner in default. If assessments are not paid by the owner of a condominium Unit when due, the Association may charge reasonable interest and assess late charges from and after the due date. The Association is also given a lien on the Unit which may be enforced as described above, or by foreclosure proceedings in the manner provided by the Condominium Act, and other Michigan law.

Owners should be aware, however, that Section 58 of the Michigan Condominium Act provides that if the holder of a first mortgage or other purchaser obtains title to a Unit as a result of foreclosure of that mortgage, such holder of the first mortgage or other purchaser is not liable for unpaid assessments which are chargeable against that Unit and which had become due prior to foreclosure. These unpaid assessments are common expenses which are collectible from all Unit owners.

INSURANCE

The condominium documents require that the Association carry fire and extended coverage for vandalism and malicious mischief and liability insurance and worker's compensation insurance (if applicable) with respect to all the General Common Elements of the Project. Further information regarding insurance requirements are contained in Article IV of the Condominium Bylaws, attached to the Master Deed.

Any liability insurance coverage provided by the Association will not cover the actual residential Unit, nor protect against any accident or injury which occurs on a Limited common element of the project. No casualty insurance coverage will be provided for any building, structure or other improvement constructed within the perimeters of a condominium Unit, the contents of any such building, structure or improvement, nor for property of an owner located outside the Unit on the Common Elements of the Project. For that reason, all owners are cautioned that it is their responsibility to insure the residential dwelling and its contents, together with any improvements bought and paid for by the owner.

PRIVATE DRIVES AND EASEMENTS

All private drives within the Project, as well as open parking areas and common walkways, are General Common Elements of the Project and must be snowplowed, maintained, and repaired as needed by the Condominium Association. These expenses will ultimately be paid by the Owners as a part of their assessed fees. The drives and parking areas are asphalt and will require some routine maintenance, although it is impossible to estimate just how much maintenance may be required in any given year as their life expectancy will vary depending on the extent of maintenance provided, type of use, and weather conditions encountered.

The Unit premises will be subject to a number of easements. The Master Deed describes certain reciprocal easements granted to Owners and to the Association. There may also be easements relating to drainage and utilities, which will be described in each title insurance commitment and title insurance policy furnished to buyers.

REAL ESTATE TAXES

Real Property taxes on the condominium Units are assessed or collected by the City of Tecumseh, the Tecumseh Public School District, Tecumseh District Library, the County of Lenawee, and the State of Michigan. Under Michigan law, such taxes are required to be assessed on the basis of fifty percent of true cash value.

Except for the year in which the Project is established, real property taxes and assessments are levied individually against each Unit and not against the Project as a whole. These separate taxes and assessments cover both the Unit and its proportionate share of the Common Elements.

It is impossible to determine with any degree of accuracy at this date the amount of real property taxes and/or assessments which may be levied in subsequent years, since such taxes are a function of both property values and tax rates which may either rise or fall in response to inflation levels and community needs, and other factors.

RADON GAS

Radon is a naturally occurring, colorless and odorless radioactive gas formed by the breakdown of uranium and radium deposits in soil. Radon can escape from the soil and enter buildings. Preliminary studies by the United States Environmental Protection Agency (EPA) suggest that prolonged exposure to radon may result in adverse health consequences.

The extent to which an area or a specific unit may be exposed to radon depends on a number of factors, including natural geologic conditions, prior land use, ground water, construction materials and techniques, ventilation and air conditioning systems, and Co-Owner maintenance. Because of the multitude of factors involved, it is difficult to predict whether a specific resident may be subject to high radon levels unless specific tests are conducted by experts in the area.

Builder does not claim any expertise in radon, and it does not provide advice to Co-Owners about the acceptable levels or possible health hazards of radon. It is possible that

tests or studies might disclose information which a purchaser might consider significant in deciding whether to purchase a unit in Lone Oak of Red Mill Pond. The Builder assumes no responsibility to make any tests or studies, but Builder will permit the purchaser to do so, at the purchaser's expense.

The EPA, as well as state and local regulatory authorities are best equipped to render advice regarding the risks which may exist in a particular area, such as the risks associated with radon exposure, the methods available to detect and measure radon levels, and whether remedial measures may be advisable in particular circumstances to reduce the risk of radon exposure. The EPA has published two (2) guides which are available to interested persons: "A Citizen's Guide to Radon: What it is and What to do About it" and "Radon Reduction Methods: A Homeowners' Guide."

LEGAL MATTERS

THE MATTERS DISCUSSED IN THIS DISCLOSURE STATEMENT ARE INTENDED TO HIGHLIGHT ONLY A FEW OF THE MORE IMPORTANT FACTS RELATING TO THE PROJECT. BUYERS ARE URGED TO READ ALL CONDOMINIUM DOCUMENTS CAREFULLY AND TO ENGAGE A LAWYER OR OTHER ADVISOR IN CONNECTION WITH ANY DECISION TO PURCHASE A UNIT IN THE PROJECT.

PURPOSE OF DISCLOSURE STATEMENT

This Disclosure Statement was prepared by Builder in compliance with the Michigan Condominium Act. This statement paraphrases various provisions of the Purchase Agreement, Escrow Agreement, Master Deed and other documents required by law. This statement only highlights certain provisions of such documents and by no means contains a complete statement of all the provisions of those documents which may be important to purchasers. In an attempt to be more readable, this statement omits most legal phrases, definitions and detailed provisions of the other documents. This statement is not a substitute for the legal documents which it draws information from, and the rights of purchasers and other parties will be controlled by the other legal documents and not by this Disclosure Statement. All of the documents referred to in this statement should be carefully reviewed by prospective purchasers, and it is advisable to have professional assistance in making this review.

Builder disclaims liability to any purchaser for misstatements herein (or for omissions which make statements herein appear misleading) if such misstatements were made by Builder in good faith or were immaterial in nature or were not relied upon by the purchaser, or did not result in any damages to the purchaser. Builder is required to give each purchaser a copy of The Condominium Buyers' Handbook. This handbook was prepared by the Michigan Department of Commerce, and Builder accepts no responsibility for its contents.

RCVD AM 10:50 FEB 6 '19 LENAWEE

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LENAWEE COUNTY TREASURER
TAX CERTIFICATE NO. 178


FEB - 6 2019



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STATE OF MICHIGAN - LENAWEE COUNTY
RECORDED 02/06/2018 03:39:32 PM D MA
Carolyn S. Baler REGISTER OF DEEDS \$30.00



_____ 
MARILYN J. WOODS

MASTER DEED

LONE OAK OF RED MILL POND CONDOMINIUM

99 pgs ✓ see pg 22

MASTER DEED INDEX

LONE OAK of RED MILL POND CONDOMINIUM ASSOCIATION

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MASTER DEED

LONE OAK of RED MILL POND

(Act 59, Public Acts of 1978, As Amended)

THIS MASTER DEED is made and executed on this 4th day of February, 2019, by LONE OAK PROPERTIES of RED Mill, LLC a Michigan limited liability company, hereinafter referred to as the "Developer" whose office is situated at 800 South Maumee Street, Tecumseh, Michigan 49286, in pursuance of the provisions of the Michigan Condominium Act as amended (being Act 59 of the Public Acts of 1978, as amended), hereinafter referred to as the "ACT".

WITNESSETH:

WHEREAS, the Developer is the owner of certain real property located in the City of Tecumseh, County of Lenawee, Michigan, and more particularly described as follows:

See Sheet 1 of 13 located in Exhibit B attached

WHEREAS, the Developer desires, by recording this Master Deed, together with the BY-LAWS attached hereto as Exhibit "A" together with the Condominium Subdivision Plan attached hereto as Exhibit "B" (all of which are hereby incorporated by reference and made a part hereof), to establish the real property, together with the improvements located thereon and the appurtenances thereto, as a building site project under the provisions of the Act.

Now, Therefore, the Developer does upon the recording hereof, establish Lone Oak of Red Mill Pond as a building site project under the Act and does declare that Lone Oak of Red Mill Pond (hereinafter referred to as the "Project") shall, after such establishment be held, conveyed, mortgaged, encumbered, leased, rented, occupied, improved, or in any other manner utilized subject to the provisions of the

Act and to the covenants, conditions, easements, restrictions, uses, limitations, and affirmative obligations set forth in this Master Deed and Exhibits "A", and "B" hereto, all of which shall be deemed to run with the land and shall be a burden and a benefit to the Developer, its successors and assigns, and any persons acquiring or owning an interest in the said real property, their grantees, successors, heirs, personal representatives, and assigns. In furtherance of the establishment of said project, it is provided as follows:

**ARTICLE I
DEFINITIONS**

Certain terms are utilized not only in this Master Deed and Exhibits "A, and "B" hereto, but are or may be used in various other instruments such as, by way of example and not in limitation, the Articles of Incorporation and Rules and Regulations of the Lone Oak of Red Mill Pond Condominium Association, a Michigan non-Profit corporation, and deeds, mortgages, liens, land contracts, easements, and other instruments affecting the establishment of or transfer of interest in Lone Oak of Red Mill Pond. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

1. The "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.
2. "Association" means Lone Oak of Red Mill Pond Condominium Association, the non-profit corporation organized under Michigan law of which all owners shall be members, which corporation shall administer, operate, manage, and maintain the Project. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Project documents or the laws of the State of Michigan.
3. "Building Envelope" means the portion of each unit within which the owner thereof may construct improvements such as a dwelling. No structures may be built outside of the building envelope within each unit as shown on Exhibit "B" attached hereto without the advance written approval of the Association and the City of Tecumseh, if applicable.

4. "By-Laws" means Exhibit "A" hereto, being the By-Laws setting forth the substantive rights and obligations of the owners and required by Section 3 (8) of the Act to be recorded as part of the Master Deed. The By-Laws shall also constitute the Corporation By-Laws of the Association as provided for under the Michigan Non-Profit Corporation Act.
5. "Common Elements", where used without modification shall mean both the general and limited common elements described in Article IV hereof.
6. "Condominium Subdivision Plan" means Exhibit "B" hereto.
7. "Construction and Sales Period" means for the purposes of the Project documents and the rights reserved to the Developer thereunder, the period commencing with the recording of the Master Deed and continuing as long as the Developer owns any unit which it offers for sale.
8. "Developer" means LONE OAK PROPERTIES of RED MILL, LLC, a Michigan limited liability company, which has made and executed this Master Deed, and its successors and assigns.
9. "First Annual Meeting" means the initial meeting at which non-developer owners are permitted to vote for the election of all Directors and upon all other matters which properly may be brought before the meeting. Such meeting (a) may be held at any time, in the Developer's sole discretion, after fifty percent (50%) of the units which may be created are sold, and the (b) must be held within (i) fifty four (54) months from the date of the first conveyance, or (ii) one hundred twenty (120) days after seventy Five percent (75%) of all units which may be created are sold, whichever occurs first.
10. "Mortgagee" means the individual, financial institution, corporation, partnership, or other entity holding a first mortgage lien on an individual unit in Lone Oak of Red Mill Pond.
11. "Owner" means a person, firm, corporation, partnership, association, trust, or other legal entity or any combination thereof who or which owns (1) Or more units in the Project, and shall have the same meaning as "co-owner" as defined in the Act. "Owner" shall also include both a land contract vendor and a land contract vendee and they shall have joint and several responsibilities for assessments by the Association.

12. "Project" means Lone Oak of Red Mill Pond established in conformity with the provisions of the Act and includes the land, all improvements and structures thereon, and all easements, rights and appurtenances belonging to Lone Oak of Red Mill Pond as described above.
13. "Project Documents" wherever used means and includes this Master Deed and Exhibits "A" and "B" hereto, the Articles of Incorporation and the rules and regulations, if any, of the Association.
14. "Transitional Control Date" means on a date in which the Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.
15. "Unit" means a single condominium building site in Lone Oak of Red Mill Pond, as described in Article V hereof and in exhibit "B" hereto, and shall have the same meaning as "condominium unit" as defined in the Act. No unit shall be divided into more than one (1) building site.
16. "Estate(s)" means specifically located site(s) described as Unit 1 thru 43 as shown in exhibit "B".
17. "Villa(s)" means specifically located site(s) described as Unit 44 thru 65 as shown in exhibit "B".
18. "Non-Structure Unit Maintenance Agreement" means an agreement that a site owner may opt into or out of for their site maintenance excluding structures. Various maintenance options will be assessed as determined within such agreement as described in Article VI, Section 14 of the bylaws and shown in Exhibit A.

Whenever any reference herein is made to one (1) gender, it shall include a reference to any and all genders where it would be appropriate; similarly, whenever a reference is made to the singular, it shall also be include the plural where it would be appropriate.

ARTICLE II

TITLE OF PROJECT

The project shall be known as Lone Oak of Red Mill Pond, Lenawee County Condominium Subdivision Plan No. 72. The engineering plans for the Project (including architectural plans for all dwellings and other improvements to be constructed therein) were or will be approved by, and are, or will be on file with the City of Tecumseh Building department. The Project is established in accordance with the Act.

ARTICLE III

NATURE OF PROJECT

The units contained in the Project, including the number, boundaries, dimensions, and area of each unit therein, are set forth completely in the Condominium Subdivision Plan attached as Exhibit "B" hereto. Each unit has been created for residential purposes and each unit is capable of individual utilization on account of having its own access to an access easement adjacent to the Project. Each owner in the project shall have an exclusive right to his unit and shall have undivided and inseparable rights to share with other owners the common elements of the Project as are designed by this Master Deed.

ARTICLE IV

COMMON ELEMENTS

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

1. The general Common Elements are:
 - a. The land described in page one (1) hereof (other than that portion thereof described in Article V below and in Exhibit "B" hereto as constituting the individual building sites), including improvements not located within the boundaries of a unit. Those structures and improvements that now or hereafter are located within the boundaries

of a unit shall be owned in their entirety by the owner of the unit in which they are located and shall not, unless otherwise expressly provided in the Project documents, constitute common elements.

- b. The electrical wiring network throughout the Project, including street lights, if any, up to the point of lateral connection for unit service.
- c. The natural gas line network throughout the Project up to the point of lateral connection for unit service.
- d. The water distribution system, sanitary sewer system and storm water drainage and detention easement system throughout the Project up to the point of lateral connection for unit service.
- e. Easements for all of the aforementioned utility systems that are provided by or for the benefit of third parties are hereby dedicated to them for that purpose in the locations as set forth in Exhibit "B" hereto.
- f. Such other elements of the Project not herein designated as general common elements which are not located within the perimeter of a unit and which are intended for common use or necessary to the existence, upkeep and safety of the Project.

Some or all of the utility lines (including mains and service leads) and equipment described in Article IV, paragraphs 1b, 1c, 1d, 1e may be owned by the local municipal authority or by the company that is providing the pertinent utility service. Accordingly, such utility lines and equipment shall be general common elements only to the extent of the owner's interest therein, and the Developer makes no warranty whatever with the respect to the nature or extent of such interest, if any.

- 2. Limited common elements shall be subject to the exclusive use and enjoyment of the owner of the unit or units to which such limited common elements are appurtenant. All utilities servicing a unit up to and including the point of which lateral connection with a general common element shall be limited common elements. No additional limited common elements have been designated as such in this Master Deed because there are no additional

common elements in the Project. If any limited common elements are included in the project at any time hereafter, they shall be shown on amendments to the Condominium Subdivision Plan.

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

- a. Association Responsibilities of General Common Elements: The costs of maintenance, repair and replacement of all general common elements in the Project shall be borne by the Association, including sidewalks and structures located in common areas, storm water drainage easement courses and detention easement areas (including surface water drainage courses on individual units), as shown on Exhibit "B" attached hereto, subject to any provision of the Project documents expressly to the contrary.

The use of pesticides, herbicides and chemical fertilizers within twenty – five (25) feet of the Red Mill Pond is prohibited by the Michigan Department of environmental Quality and the City of Tecumseh.

- b. Owner Responsibilities of General Common Elements: The owners individually shall be responsible for all maintenance, repair or replacement that (1) is expressly assigned to them by any provision of the Project documents, or (2) is not expressly assigned to the Association by any provision of the Project documents; but none of the owners shall be responsible individually for maintenance, repair or replacement of any general common elements except as specifically provided in Article IV, Section 14 of the By-Laws. In the event an owner fails to so maintain, repair or replace any items for which the Owner is responsible the Association (and/or Developer during the construction and sales period) shall have the right, but not obligation to take whatever action or actions it deems desirable to so maintain, repair or replace any of such improvements made within a unit, all at the expense of the owner of the unit. Failure of the Association (or the Developer) to take any such action shall not be deemed a waiver of the Associations (or the Developers) right to take such action at a future time. All costs incurred by the Association or the Developer in performing any responsibilities under this Article IV which are required, in the first instance to be borne by any

owner, shall be assessed against such owner and shall be due and payable within thirty (30) days; further, the lien for non-payment shall attach as in all cases of regular assessments and such assessments may be enforced by the use of all means available to the Association under the project documents and by law for the collection of regular assessments including, without limitation, legal action, foreclosure of the lien securing payment and imposition of fines.

**ARTICLE V
UNIT DESCRIPTION AND PERCENTAGE OF VALUE**

1. Each unit of the Project is described in this paragraph with reference to the Condominium Subdivision Plan of Lone Oak of Red Mill Pond, as a separate building site as surveyed by Associated Engineers and Surveyors, Inc., and attached hereto as Exhibit "B". Each unit shall consist of the space contained within the unit building site boundaries as shown in Exhibit "B" hereto and delineated with heavy outlines, together with all appurtenances thereto.
2. The percentage of value assigned to each Unit in the Project shall be equal to every other Unit. The determination that percentages of value should be equal was made after reviewing the comparative characteristics of each unit in the Project and concluding that there are no material differences among the units insofar as the allocation of the percentages of value is concerned. The percentage of value assigned to each unit shall be determinative of each owner's respective share of the common elements of the Project, the proportionate share of each respective owner in the proceeds and the expenses of the administration and the value of such owners vote at meetings of the Association. The total value of the Project is one hundred percent (100%)
3. Owners of not more than (2) two adjacent units may combine into one (1) unit in accordance with section 48 of the Act, subject to the approval of the Developer and the City of Tecumseh. Once combined, said units shall be treated as 1 unit within the Project for assessment purposes. The Association shall be responsible for the preparation and recording of any necessary amendment to the Master deed and the owner making any such change shall reimburse the Association for all expenses it incurs.

**ARTICLE VI
RIGHTS OF MORTGAGEES**

Notwithstanding any other provision in this Master Deed or the By-Laws or any other document, the following provisions shall apply and may not be amended or deleted without the prior written consent of the holders of the first mortgages on at least two-thirds $2/3$ of the units of record:

1. A first mortgagee, at its request, is entitled to written notification from the Association of any default by the owner of such unit in the performance of such owner's obligations under the Project documents which is not cured within sixty (60) days.
2. Any first mortgagee who obtains title to a unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed (or assignment) in lieu of foreclosure shall be exempt from any "right of first refusal" contained in the project documents and shall be free to sell or lease such unit without regard to any such provision.
3. Any first mortgagee who obtains title to a unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed (or assignment) in lieu of foreclosure shall not be liable for such unit's unpaid dues or charges which accrue prior to the Acquisition of title to such unit by the mortgagee.
4. Notwithstanding any provision of the Condominium documents to the contrary, first mortgagees are entitled to vote on amendments to the condominium documents only under the circumstances listed in section 90a of the Act.
5. Each first mortgagee has the right to examine the books and records of the Association.
6. No owner, or any other party, shall have priority over any rights of first mortgagees of units pursuant to their mortgages in the case of a distribution to owners of insurance proceeds or condemnation awards for losses to or taking of units and/or common elements.
7. Any agreement for professional management of the Project regime or any other contract providing for services which exist between the Association and the Developer or affiliates of the Developer is voidable by the Board of

Directors of the Association on the transitional control date or within Ninety (90) days thereafter, and on thirty (30) days written notice at any time thereafter without cause or payment of a termination fee.

8. Notwithstanding anything provided hereinabove to the contrary, in the event of a vote for an amendment to the Project documents, any mortgagee ballots not returned within ninety (90) days of mailing shall be counted as approval for the change.

ARTICLE VII DAMAGE TO PROJECT

In the event the Project is partially or totally damaged or destroyed or partially taken by eminent domain, the repair, reconstruction or disposition of the property shall be as provided by the By-Laws attached hereto as Exhibit "A".

ARTICLE VIII EASEMENTS FOR UTILITIES

There shall be easements to, through and over the entire Project, including all of the land, for continuing maintenance and repair of all utilities in the Project. In the event any improvements located on one (1) unit encroach upon a common element, easements shall exist for the maintenance of such encroachment for so long as such encroachment exists and for maintenance, repair and replacement thereof following damage or destruction. The Board of Directors of the Association may grant easements over or through or dedicate any portion of any general common element of the Project for utility, roadway or safety purposes.

ARTICLE IX FUTURE UTILITY EASEMENTS

The Developer further reserves the right at any time to grant easements for utilities over, under and across the general common elements of the Project premises to appropriate governmental agencies or public utility companies and to transfer title for utilities to governmental agencies or utility companies. Any such easement or transfer of title may be made by the Developer without the consent of any owner,

mortgagee or any other person and shall be evidenced by a grant of easement or an appropriate amendment to this Master Deed and to Exhibit "B" hereto, recorded in the Lenawee County Records. All of the owners and mortgagees of units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed as may be required to effectuate the foregoing grant of easement or transfer of title.

ARTICLE X

FUTURE EASEMENTS, LICENSES and RIGHTS-OF -WAY

The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the transitional control date) shall be empowered and obligated to grant such easements, licenses, rights-of-entry, and rights-of-way over, under and across the general common elements of the Project for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Project; subject, however, to the approval of the Developer during the construction and sales period. No easement created under the Project documents may be modified nor may any of the obligations with respect thereto be varied without the consent of each person benefited thereby.

ARTICLE XI

ACCESS EASEMENTS

The developer, the Association and all public or private utilities shall have such easements over, under, across and through the Project, including all units and common elements, as may be necessary to fulfill any responsibilities of maintenance, repair or replacement which they or any of them are required or permitted to perform under the Project documents or By-Law. These easements include, without limitation, the right of the Association to obtain access to the unit during reasonable hours.

ARTICLE XII

FINAL DEVELOPMENT OF ADJACENT LAND

The Developer will construct certain structures, landscaping and walkways on land adjacent to the Project that will be owned by the Lone Oak of Red Mill Pond Community Association to be used and maintained by and for the benefit of members of the Lone Oak of Red Mill Pond Community Association pursuant to the Declaration of Covenants, Conditions and Restrictions and Restrictions recorded with the Lenawee County Register of Deeds..

ARTICLE XIII

RED MILL POND DRAINAGE DISTRICT

The Project is located within a Drainage District, pursuant to Section 433 of Act 40 of the Public Acts of 1956, as amended, with the Lenawee County Drain Commissioner for the operation, maintenance, repair and replacement of the Red Mill Pond dam. All costs related to the maintenance and improvements of the Drain are be borne by the Drainage District, and assessed to the owners pursuant to Act 40 of the Public Acts of 1956, as amended. Each Unit within the project will be subject to such an assessment.

ARTICLE XIV

AMENDMENT OR TERMINATION

Except as provided in preceding paragraphs as set forth above, the Project shall not be terminated or any of the provisions of this Master Deed or exhibits attached hereto amended unless done in compliance with the following provisions:

1. The Project documents may be amended without the consent of owners or mortgagees for any purpose if the amendment does not materially alter or change the rights of an owner or mortgagee. The Developer, for itself (until two (2) years after the end of the construction and sales period) and for the Association (acting through a majority of its Board of Directors), hereby expressly reserves the right to amend the Project documents for such a purpose. Amendments which do not materially alter or change the rights of

an owner or materially impair the security of a mortgagee, as defined in Section 90a of the Act, include, but are not limited to, amendments modifying the types and sizes of unsold units and their appurtenant common elements, correcting survey or other errors made in the Project documents, and to provide descriptions and assign responsibility for common elements constructed, but not previously disclosed in the Master Deed, changes required by the City of Tecumseh or any other public authority having jurisdiction over the Project, changes deemed necessary to comply with or include provisions permitted by the Act, or for the purpose of facilitating mortgage loan financing for existing or prospective owners and to enable the purchase of insurance of such mortgage loans by any institutional participant in the secondary mortgage market which purchases or insures mortgages.

2. If there is no owner other than the Developer, the Developer, with consent of any interested mortgagee, may unilaterally terminate the Project or amend the Master Deed. A termination or amendment under this section shall become effective upon the recordation thereof if executed by the Developer.
3. If there is an owner other than the Developer, then the Project shall be terminated only by the agreement of the developer, eighty percent (80%) of the unaffiliated owners of units to which all of the votes in the Association appertain and the Mortgagees of two thirds (2/3) of the first mortgages covering the units. Any mortgagee ballots not returned within ninety (90) days of mailing shall be counted as approval for the termination.
4. Agreement of the required majority of owners and mortgagees to the termination of the Project shall be evidenced by their execution of the termination agreement or of ratifications thereof, and the termination shall become effective when the agreement is so evidenced of record.
5. Upon recordation of an instrument terminating a Project, the property constituting the Project shall be owned by the owners as tenants in common

in proportion to their respective undivided interests in the common elements immediately before recordation. As long as the tenancy in common lasts, each owner of the heirs, successors or assigns thereof shall have an exclusive right of occupancy of that portion of the property which formerly constituted the unit.

6. Upon recordation of an instrument terminating a Project, any rights of the owners may have to the assets of the Association shall be in proportion to their respective undivided interests in the common elements immediately before recordation, except that common profits shall be distributed in accordance with the Project document and the Act.
7. The Project documents may be amended for a proper purpose, other than as set forth in this article, even if the amendment will materially alter or change the rights of the owners, mortgagees or other interested parties, with the prior written consent of two thirds (2/3) of the first mortgagees (based on one (1) vote for each Unit covered by its mortgage), but only as is required in accordance with section 90a of the Act. And owners of the individual units. An owner's unit dimensions or the responsibility for maintenance, repair and his replacement thereof may not be modified in any material way without his consent and that of his mortgagee. Any mortgagee ballots not returned within ninety (90) days of mailing shall be counted as approval for the change. The affirmative vote of two thirds (2/3) of owners is considered two-thirds (2/3) of all owners entitled to vote as of the record date for such votes.
8. The Project documents may not be amended, so as to affect the site plan for the Project approved by the City of Tecumseh, without the advanced written approval by the City of Tecumseh and no provision in the Project documents which specifically applies to or grants rights to the City of Tecumseh may be released, changed modified or amended without the advance written approval of the City of Tecumseh.

9. A person causing or requesting an amendment to the Project documents shall be responsible for costs and expenses of the amendment to the Project documents except for amendments based upon the Advisory Committee's decision, the cost of which are expenses of the administration.
10. A Master Deed amendment dealing with the addition, withdrawal or modification of units or other physical characteristics of the Project shall comply with the standards prescribed in the Act for preparation of an original Condominium Subdivision Plan for the Project.
11. During the Construction and Sales period, this Master Deed, and all exhibits attached hereto, shall not be amended without the written consent of the Developer.

**ARTICLE XV
ASSIGNMENT**

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

**ARTICLE XVI
EXPANDABILITY OF THE CONDOMINIUM**

1. Future Development Area. The Project established by this Master Deed consists of condominium Units that may, at the election of Developer, be treated as the first phase of an expandable condominium under the Act to contain in its entirety a maximum of 135 Units. Additional Units, if any, will be established on all or some portion of the land designated on Exhibit C and Exhibit D as the future development area (the Future Development Area). There are no limitations as to what portion(s) of the Future Development Area may be added to the Project. The portions of the Future Development Area may be added at different times, and there is no restriction on the order in which they may be added. The maximum number of Units that may be

created on the portion of land designated on Exhibit C is 35, and the maximum number of Units that may be created on the portion of land designated on Exhibit D is 35.

2. **Addition of Units.** The number of Units in the Project may, at the option of the Developer, from time to time within a period ending not later than six years after the initial recording of the Master Deed be increased by the addition of all or any portion of the Future Development Area and the establishment of Units in that area. Developer will determine the nature, location, size, types, compatibility and dimensions of the Units and other improvements to be located within the Future Development Area in its sole discretion and without restriction. No Unit will be created within any part of the Future Development Area that is added to the Condominium that is not restricted exclusively to residential use.
3. **Expansion Not Mandatory.** None of the provisions of this Article will in any way obligate Developer to enlarge the Project beyond the initial phase established by this Master Deed, and Developer may, in its discretion, establish all or a portion of the Future Development Area as a separate condominium project (or projects) or as any other form of development. There are no restrictions on Developer's election to expand the Project other than those explicitly provided in this Article. There is no obligation on the part of the Developer to add to the Project all or any portion of the Future Development Area, nor is there any obligation to add portions in any particular order or to construct any particular improvements on the added property.
4. **Amendments to the Master Deed.** An increase in the size of the Project by Developer will be given effect by an appropriate amendment or amendments to the Master Deed, which will not require the consent or approval of any Owner, mortgagee, or other interested person. Amendments will be prepared by and at the sole discretion of Developer and may proportionately adjust the Percentages of Value assigned by Article V to preserve a total value of 100 percent for the entire Project. The precise determination of the readjustments in Percentages of Value (if any) will be made in the sole judgment of Developer. However, the readjustments will reflect a continuing reasonable relationship among Percentages of Value based on the original method of determining Percentages of Value for the Project.

5. **Redefinition of Common Elements.** Amendments to the Master Deed made by Developer to expand the Condominium may also contain any further definitions and redefinitions of General or Limited Common Elements that Developer determines are necessary or desirable to adequately describe, serve, and provide access to the additional parcel or parcels being added to the Project. In connection with any amendments, Developer will have the right to change the nature of any Common Element previously included in the Project for any purpose reasonably necessary to achieve the intent of this Article, including, but not limited to, the connection of roadways in the Project to any roadways that may be located on or planned for the Future Development Area and to provide access to any Unit that is located on or planned for the Future Development Area from the roadways located in the Project.
6. **Additional Provisions.** Amendments to the Master Deed made by Developer to expand the Condominium may also contain any provisions Developer determines are necessary or desirable (a) to make the Project contractible or convertible for portions of the parcel or parcels being added to the Project, (b) to create easements burdening or benefiting portions of the parcel or parcels being added to the Project, and (c) to create or change restrictions or other terms and provisions affecting the additional parcel or parcels being added to the Project or affecting the balance of the Project as may be reasonably necessary in Developer's judgment to enhance the value or desirability of the Units to be located within the additional parcel or parcels being added.

ARTICLE XVII

CONTRACTABILITY OF CONDOMINIUM

1. **Limit of Unit Contraction.** The Project established by this Master Deed consists of 65 Units and may, at the election of the Developer, be contracted to a minimum of 60 Units.
2. **Withdrawal of Land.** The number of Units in the Project may, at Developer's option, from time to time within a period ending not later than six years after the recording of this Master Deed be decreased by the withdrawal of all or any portion of the lands described on Sheet 1 of Exhibit B. However, no Unit that has been sold or is the subject of a binding Purchase Agreement may be withdrawn without the consent of the Owner or purchaser and the mortgagee of the Unit. Developer may also, in connection with any

- contraction, readjust the Percentages of Value for Units in the Project in a manner that gives reasonable recognition to the number of remaining Units, based on the method of original determination of the Percentages of Value. Other than as provided in this Article XVII, there are no restrictions or limitations on Developer's right to withdraw lands from the Project or on the portion or portions of land that may be withdrawn, the time or order of the withdrawals, or the number of Units or Common Elements that may be withdrawn. However, the lands remaining shall not be reduced to less than that necessary to accommodate the remaining Units in the Project with reasonable access and utility service to the Units.
3. **Contraction Not Mandatory.** There is no obligation on the part of Developer to contract the Project, nor is there any obligation to withdraw portions of the Project in any particular order or to construct particular improvements on any withdrawn lands. Developer may, in its discretion, establish all or a portion of the lands withdrawn from the Project as a separate condominium project (or projects) or as any other form of development. Any development on the withdrawn lands will not be detrimental to the adjoining condominium project.
 4. **Amendments to the Master Deed.** A withdrawal of lands from this Project by Developer will be given effect by appropriate amendments to the Master Deed, which will not require the consent or approval of any Owner, mortgagee, or other interested person. Amendments will be prepared by and at the sole discretion of Developer and may adjust the Percentages of Value assigned by Article V to preserve a total value of 100 percent for the entire Project resulting from any amendment.
 5. **Additional Provisions.** Any amendments to the Master Deed made by Developer to contract the Condominium may also contain provisions as Developer determines are necessary or desirable (i) to create easements burdening or benefiting portions or all of the parcel or parcels being withdrawn from the Project and (ii) to create or change restrictions or other terms and provisions, including designations and definition of Common Elements, affecting the parcel or parcels being withdrawn from the Project or affecting the balance of the Project, as reasonably necessary in Developer's judgment to preserve or enhance the value or desirability of the parcel or parcels being withdrawn from the Project.

LONE OAK PROPERTIES of RED MILL LLC,
Developer

By: Allen D. Roberts
Allen D. Roberts, Member

STATE OF MICHIGAN)
) ss
COUNTY OF LENAWEЕ)

The foregoing document was acknowledged before me in Lenawee County, Michigan this 4th day of February, 2018 by Allen D. Roberts, the sole member of Lone Oak Properties of Red Mill, LLC, a Michigan limited liability company, for the company.

Jessica Souder
Jessica Souder, Notary Public
Lenawee County, Michigan
Acting in the County of Lenawee
My commission expires September 2, 2023

This document was prepared by and when recorded return to:
Lone Oak Properties of Red Mill LLC
PO Box 400
Tecumseh, Michigan 49286
Attention: Mr. Allen D. Roberts



EXHIBIT A

**Lone Oak of Red Mill Pond Condominium
Association By-Laws**

EXHIBIT A

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EXHIBIT "A"
LONE OAK of RED MILL POND CONDOMINIUM ASSOCIATION
BY LAWS

ARTICLE I
ASSOCIATION OF OWNERS

Lone Oak of Red Mill Pond Condominium Association, a residential building site condominium located in the City of Tecumseh, Lenawee County, Michigan, shall be administered by an Association of owners which shall be a non-profit corporation, hereafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the common elements, easements and affairs of the Project in accordance with the Project documents and the laws of the state of Michigan. These By-Laws shall constitute both the By-Laws referred to in the Master Deed and required by section 53 of the Act and the By-Laws provided for under the Michigan Non-Profit Corporation Act. Each owner shall be entitled to membership, and no other person or entity shall be entitled to membership. The share of an owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his unit. The Association shall keep current copies of the Master Deed and other Project documents for the Project available at reasonable hours to owners, prospective purchasers and prospective mortgagees of units in the Project. All owners in the Project and all persons using or entering upon or acquiring any interest in any unit therein or the common elements thereof shall be subject to the provisions and terms set forth in the aforesaid project documents.

**ARTICLE II
ASSESSMENTS**

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

Section 1: Assessments for Common Elements: All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the common elements or the administration of the Project, including fulfilling drainage responsibilities within the individual units, shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of or pursuant to any policy of insurance securing the interest of the owners against liabilities or losses arising within, caused by, or connected with the common elements or the administration of the Project, shall constitute receipts affecting the administration of the Project within the meaning of Section 54(4) of the Act.

Section 2: Determination of Assessments: Assessments shall begin in January 2020 and shall be determined in accordance with the following provisions:

- a. **Budget.** The board of Directors of the Association shall establish an annual budget in advance for each fiscal year, and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Project, including a reasonable allowance for contingencies and reserves.

An adequate reserve fund for maintenance, repairs and replacement of those common elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular payments as set forth in Section 3 below rather than by special assessments.

At a minimum, the reserve fund shall be equal to ten percent (10%) of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Board of Directors should carefully analyze the Project to determine if a greater amount should be set aside or if additional reserve funds should be established for other purposes from time to time and, in the event of such a determination, the board of Directors

shall be empowered to establish such greater or other reserves without owner approval.

Upon adoption of an annual budget, by the Board of Directors, copies of the budget shall be delivered to each owner and the assessment for said year shall be established based upon said budget, although

The failure to deliver a copy of the budget to each owner shall not affect or in any way diminish the liability of any owner for any existing or future assessments.

Should the Board of Directors at any time decide, in the sole discretion of the Board of Directors; (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Project; (2) to provide replacements of existing common elements; (3) to provide additions to the common elements not exceeding ten thousand

(\$ 10,000 dollars) annually for the entire Project (adjusted increases in the consumer Price Index used by the Department of Labor, Bureau of Vital Statistics, Metropolitan Detroit area, since the date of recording the initial Master Deed); or (4) that an emergency exists, then the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem necessary.

The Board of Directors also shall have the authority without owner consent to levy assessments pursuant to the provisions of Article V, section 3 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

- b. **Optional: Non-Structure Unit Maintenance Agreement**: An optional maintenance assessment, in addition to those required in sub paragraph a above shall be assessed to each owner who enters into a non-structure maintenance agreement with the Association as referenced in Article VI, Section 14. The amount of the assessment shall vary depending on the selection of the various package(s) selected by the Unit owner. Each year the Landscape committee will require a renewed agreement to be signed before maintenance is performed on individual units. The terms of the

renewable agreement may be changed by the Landscape committee and the service provider(s). Annual renewal by the owner is not required.

- c. **Special Assessments:** Special assessments, in addition to those required in subparagraph a above, may be made by the Board of Directors from time to time and approved by the owners as hereinafter provided to meet other requirements of the Association, including, but not limited to: (1) assessments for additions to the common elements of a cost exceeding ten thousand dollars (\$ 10,000.00) per year annually for the entire Project (adjusted increases in the consumer Price Index used by the Department of Labor, Bureau of Vital Statistics, Metropolitan Detroit area, since the date of recording the initial Master Deed); or (2) assessments for any other appropriate purpose not elsewhere herein described.

Special assessments referred to in subparagraph b (but not including those assessments referred to in subparagraph a above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty percent (60%) of all owners.

The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

Section 3: Apportionment of Assessments and Penalty for Default: Unless otherwise provided herein or in the Master Deed, all assessments levied against the owners to cover expenses of administration shall be apportioned among and paid by the owners in accordance with the percentage of value allocated to each unit in Article V of the Master Deed.

Any other unusual common expenses benefiting less than all of the unit's, or any expenses incurred as a result of the conduct of less than all those entitled to occupy the Project, or their tenants or invitees, shall be specifically assessed against the unit or units involved, in accordance with such reasonable rules and regulations as shall be adopted by the Board of Directors of the Association.

Annual assessments as determined in accordance with Article II, Section 2a above shall be payable in advance by owners in one (1) annual or two (2) equal bi-annual installments, at the sole discretion of the Association, commencing with acceptance of a deed to or a land contract vendees interest in a unit by any other means.

The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment.

Each installment in default for ten (10) or more days shall bear interest from the initial due date thereof at the rate of seven percent (7%) per annum plus the additional interest rate surcharge and late payment charges as the Board of Directors shall approve, until each installment is paid in full. Provided however, that the interest rate and interest rate surcharge combined applying to delinquent amounts shall not exceed the limit set by usury laws in the State of Michigan.

The Association may, pursuant to Article XIX, section 4 hereof, levy fines for chronic late payment of assessments in addition to such interest and late payment charges.

Each owner (whether 1 or more persons) shall be and remain, personally liable for the payment of all assessments pertinent to his unit which may be levied while such owner is the owner thereof.

Payments on account of installments of assessments in default shall be applied as follows: First, to cost of collection and enforcement of payment, including actual attorney's fees (not limited to statutory fees); second, to any late charges, interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

Section 4: Waiver of Use or Abandonment of Unit: No owner may exempt himself from liability for his contribution toward the expenses of the administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of his unit

Section 5: Enforcement

- a. **Remedies:** In addition to any other remedies available to the association, the Association may enforce collection of delinquent assessments, together with all applicable late charges, interest fines, costs, advances paid by the Association to protect its lien, actual attorney's fees (not limited to statutory fees), and other costs, by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment assessment levied against his unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable.

The Association may also discontinue the furnishing of any Association paid services to any owner in default upon seven (7) days written notice to such owner of its intention to do so. An owner in default may not be entitled to utilize any of the general common elements of the Project and shall not be entitled to vote at any meeting of the Association, or to be elected to or a voting member of the Board of Directors so long as such default continues; provided however, this provision shall not operate to deprive any owner of ingress or egress to and from his unit.

In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the unit from the owner thereof or any persons claiming under him and, if the unit is not occupied, to lease the unit and collect and apply the rental therefrom to any delinquency owed to the Association.

All of these remedies shall be cumulative and not alternative and shall not preclude the Association from exercising such remedies as may be available at law or in equity.

- b. **Foreclosure Proceedings:** Each owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each owner and every other person who from time to time has any interest in the Project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law.

Each owner of a unit in the Project acknowledges that, at the time of acquiring title to such unit, he was notified of the provisions of this subparagraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by

advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject unit.

The redemption period for a foreclosure is six (6) months from the date of sale unless the condominium unit is abandoned, in which event the redemption period is one (1) month from the date of the sale.

- c. **Notice of Action:** Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent owner(s) at his or their last known address, of a written notice that one (1) or more installments of the annual assessment levied against the pertinent unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing.

Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth: (1) the affiant's capacity to make the affidavit; (2) the statutory and other authority for the lien; (3) the amount outstanding (exclusive of interest, costs, actual attorney's fees (not limited to statutory fees, and future assessments); (4) the legal description of the subject unit(s); and (5) the name(s) of the owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in the county in which the Project is located prior to commencement of any foreclosure proceedings, but it need not have been recorded as of the date of mailing as aforesaid.

If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent owner and shall inform him that he may request, a judicial hearing by bringing suit against the Association.

- d. **Expenses of Collection:** The expenses incurred in collecting unpaid assessments, including interest, late charges, fines, costs, actual attorney's fees (not limited to statutory fees) and advances for taxes or

other liens paid by the Association to protect its lien, shall be chargeable to the owner in default and shall be secured by the lien on his unit.

Section 6: Liability of Mortgagee: Notwithstanding any other provision of the Project documents, the holder of any first mortgage covering any unit in the Project which acquires title to the unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrue prior to the time such holder acquires title to the unit.

Section 7: Developer's Responsibility for Assessments: The Developer of the Project, although a member of the Association, shall not be responsible at any time for payment of the periodic Association assessments. The Developer, however, shall at all times pay all expenses of maintaining the units that it owns, including the dwellings and other improvements located thereon, together with the proportionate share of all current maintenance expenses actually incurred by the Association from time to time, except that the Developer shall not be responsible for a share of the expenses of professional management of the Project, and except for expenses related to maintenance and use of the units in the Project and of the dwellings and other improvements constructed within or appurtenant to the units that are not owned by the Developer.

For purposes of the foregoing sentence, the Developer's proportionate share of such expenses shall be based upon the ratio of all units owned by the Developer at the time the expense is incurred to the total number of units then in the Project. In no event shall the Developer be responsible for payment of any assessments for deferred maintenance, reserves for replacement, for capital improvements, or other special assessments with regard to the general common elements, except with respect to units owned by it on which a completed residential dwelling is located.

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

A "completed residential dwelling" shall mean a dwelling with respect to which a certificate of occupancy has been issued by the City of Tecumseh.

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

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

Section 10: Construction Lien: A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

Section 11: Statement as to Unpaid Assessments: The purchaser of any unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. The Association may require the advance payment of a reasonable processing fee for the issuance of such written statement. Upon written request to the Association, accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein.

Upon the payment of that sum within the period stated, the Association's lien for assessments as to such unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement as least five (5) days prior to the closing of the purchase of such unit shall render any unpaid assessments and

the lien securing the same fully enforceable against such purchaser and the unit itself to the extent provided by the Act.

Under the Act, unpaid assessments constitute a lien upon the unit and the proceeds of the sale thereof prior to all claims, except real property taxes and first mortgages of record.

Section 12: Lawsuit Defense Expenses: Any owner bringing an unsuccessful lawsuit against the Association and/or its Board of Directors for the administration of the affairs of the Association, found to be consistent with the provisions contained in the Project documents, shall be chargeable for all expenses incurred

by the Association. Such expenses may be collected by the Association in the same manner as an assessment.

ARTICLE III ARBITRATION

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

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

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

Section 4: Mandatory Arbitration with Developer: The Developer, the Association and the owners (by taking ownership of a unit) acknowledge and agree that to the extent permitted by applicable law (Section 144 of the Act), any claim by an owner which might be the subject of a civil action against the Developer, which involves an amount of Two Thousand Five Hundred Dollars (\$2,500.00) or more, and arises out of or relates to the Project or a unit, or which involves any claim by the Association against the Developer in excess of Ten Thousand Dollars (\$10,000.00), and arises out of or relates to the common elements of the Project, shall be settled by binding arbitration conducted pursuant to the Commercial Arbitration Rules of

the American Arbitration Association, as amended and in effect from time to time hereafter.

The parties shall accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real property is involved. Judgment upon the award by arbitration may be entered in a circuit court of appropriate jurisdiction.

Section 5: Owner Authorization for Arbitration: The commencement of any arbitration proceedings against the Developer shall require the approval of two-thirds (2/3) in number and in value of all owners. This will ensure that the owners are fully informed regarding the prospects and any likely expense of any arbitration proposed by the Association.

ARTICLE IV INSURANCE

Section 1: Extent of Coverage: The association shall, to the extent appropriate given the nature of the general common elements of the Project, carry property coverage for all risks of direct physical loss and liability insurance, fidelity coverage, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the general common elements of the Project, and such insurance shall be carried and administered in accordance with the following provisions:

- a. **Responsibilities of Association:** All such insurance shall be purchased by the Association for the benefit of the Association and the owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of owners.
- b. **Insurance of Common Elements:** All general common elements of the Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, if appropriate, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

- c. **Premium Expenses:** All premiums for insurance purchased by the Association pursuant to these By-Laws shall be expenses of administration.
- d. **Proceeds of Insurance Policies:** Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and the owners and their mortgagees, as their interest may appear; provided, however whenever repair or reconstruction of the Project shall be required as provided in Article V of these By-Laws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied to such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Project unless two-thirds (2/3) of all of the institutional holders of first mortgages on units in the Project have given their prior written approval.

Section 2: Authority of Association to Settle Insurance Claims: Each owner, by ownership of a unit in the Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of "all risk" property coverage, vandalism and malicious mischief, liability insurance, fidelity coverage and workmen's compensation insurance, if applicable, pertinent to the Project and the common elements appurtenant thereto, and such insurer as may, from time to time, provide such insurance to the Project. Without limitation on the generality of the foregoing, the Association's said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the owners and their respective mortgagees, as their interests may appear (subject always to the Project documents), to execute releases of liability, and to execute all documents and to do all things on behalf of such owner and the Project as shall be necessary or convenient to the accomplishment of the foregoing.

Section 3: Responsibility of Owners: Each owner shall be obligated and responsible for obtaining "all risk" property coverage and vandalism and malicious mischief insurance with respect to his residential dwelling and all other improvements constructed or to be constructed within the perimeter of his unit, and for his personal property located therein or thereon or elsewhere on the

Project. All such insurance shall be carried by each owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Each owner also shall be obligated to obtain insurance coverage for his personal liability for his undivided interest as a tenant in common with all other owners in the common elements, for occurrences within the perimeter of his unit for the improvements located thereon, and also for alternative living expenses in the event of fire. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so.

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

Section 5: Indemnification: Each individual owner shall indemnify and hold harmless every other owner, the Developer and the Association for all damages and cost, including actual attorney's fees (not limited to statutory fees), which the other owners, the Developer or the Association may suffer as a result of defending any claim arising out of an occurrence on or within an individual owner's unit. Each owner shall carry insurance to secure the indemnity obligations under this Section 5, if required by the Association, or if required by the Developer during the construction and sales period. This Section 5 is not intended to give any insurer any subrogation right or any other right or claim against any individual owner.

ARTICLE V RECONSTRUCTION OR REPAIR

Section 1: Responsibility for Reconstruction or Repair: If any part of the Project shall be damaged, the determination of whether or not it shall be reconstructed or repaired, and the responsibility therefor, shall be as follows:

- a. **General Common Elements:** If the damaged property is a general common element, the damaged property shall be rebuilt or repaired by the Association unless two-thirds (2/3) of all owners and two-thirds (2/3) of the institutional holders of mortgages on any unit in the Project agree to the contrary, and the City of Tecumseh consents to such action.

- b. Unit or Improvements Thereon:** If the damaged property is a unit or any improvements thereon, the owner of such unit alone shall determine whether to rebuild or repair the damaged property, subject to the rights of any mortgagee or other person or entity having an interest in such property, and such owner shall be responsible for any reconstruction or repair that he elects to make. The owner shall in any event remove all debris and restore his unit and the improvements thereon to a clean and slightly condition satisfactory to the Association as soon as reasonably possible following the occurrence of the damage, and in any event, shall remove all debris within three (3) months from the date of loss.

Section 2: Repair in Accordance with Master Deed: Any such reconstruction or repair shall be substantially in accordance with the Master Deed unless the owners shall unanimously decide otherwise.

Section 3: Association Responsibility for Repair: Immediately after the occurrence of a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if it at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all co-owners for the costs of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

Section 4: Timely Reconstruction and Repair: If damage to the general common elements adversely affects the appearance of the project, the Association shall proceed with replacement of the damaged property without delay.

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

- a. Taking of Unit or Improvements Thereon:** In the event any taking of all or any portion of a unit or any improvements thereon by eminent domain, the award for such taking shall be paid to the owner of such unit and the mortgagee thereof, as their interest may appear, notwithstanding any

provision of the Act to the contrary. If an owner's entire unit is taken by eminent domain, such owner and his mortgagee shall, after acceptance of the condemnation award therefore, be divested of all interest in the Project.

- b. **Taking of General Common Elements:** If there is any taking of any portion of the general common elements, the condemnation proceeds relative to such taking shall be paid to the owners and their mortgagees in proportion to their respective interest in the common elements, and the affirmative vote of at least two-thirds (2/3) of the owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.
- c. **Continuation of Project After Taking:** In the event the Project continues after taking by eminent domain, then the remaining portion of the Project shall be re-surveyed and the Master Deed amended accordingly and, if any unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining units based upon the continuing value of the Project of one hundred percent (100%). Such amendment may be affected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution of specific approval thereof by any owner.
- d. **Notification of Mortgagees:** In the event any unit in the Project, or any portion thereof, or the common elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association shall so notify each institutional holder of first mortgage lien on any units in the Project, provided that the name and address of each has been provided to the Association.
- e. **Applicability of the Act:** To the extent not inconsistent with the foregoing provisions, Section 133 of the Act shall control upon any taking by eminent domain.

Section 6: Notification of FNMA and FHLMC: In the event any mortgage in the Project is held by the Federal National Mortgage Association ("FNMA") or the Federal Home Loan Mortgage Corporation ("FHLMC"), then, upon request therefor

by FNMA or FHLMC, the Association shall give them written notice at such address as they may from time to time direct of any loss to or taking of the common elements of the Project if the loss or taking exceeds Ten Thousand Dollars (\$10,000.00) in amount or damage to a unit covered by a mortgage purchased in whole or in part by FNMA or FHLMC if such damage exceeds One Thousand Dollars (\$1,000.00).

Section 7: Priority of Mortgagee Interests: Nothing contained in the Project documents shall be construed to give an owner or any other party priority over any rights of first mortgagees of units pursuant to their mortgages in the case of a distribution to owners of insurance proceeds or condemnation awards for losses to or a taking of units and/or common elements.

ARTICLE VI RESTRICTIONS

All of the units in the Project shall be held, used and enjoyed subject to the ordinances of the City of Tecumseh, applicable law and the following limitations and restrictions:

Section 1: Residential Use: No Unit in the Project shall be used for anything other than single family residential purposes as defined by the City of Tecumseh Zoning ordinance, and the common elements shall be used only for purposes consistent with single family residential use. The operation of a family or group day care within the Project is prohibited and no businesses may be operated on a unit that use outside employees or have customers come to the premises, without the prior written approval of the Association.

Use of Units shall also be restricted in the following manner:

a. Building Size and Height Estate Units (1 through 43)

Unit 1 through 43 (Estates): No building or structure shall exceed two (2) stories above grade or thirty-five (35) feet in height and all buildings and structures shall be construed within the building envelope of the Unit. All buildings and structures shall be in conformity with the following minimum size standards as to living area above ground level measured by the external walls:

1. One Story Ranch: 1800 Square Feet

2. One and one-half Story: 2000 square Feet with a minimum of 1200 Square Feet on first floor
3. Multi-Story: 2100 Square Feet

Unit 44 through 65 (Villas): No building or structure shall exceed one (1) story above grade or twenty-five (25) feet in height and all buildings and structures shall be construed within the building envelope of the Unit. All buildings and structures shall be in conformity with the following minimum size standards as to living area above ground level measured by the external walls:

1. One Story Ranch: 1650 Square Feet
2. Walkouts are allowed where grading allows

The Developer reserves the right, within its sole discretion, to lower the required minimum square footage for specific dwellings. Garages, porches and breezeways shall not be included in the computing minimum size requirements.

All buildings shall be constructed by a licensed contractor and completed within (1) one year from the date of issuance of a building permit by the Tecumseh City Building Department.

All unused building materials and temporary construction shall be removed from the premises within thirty (30) days after substantial completion of the structure. (Rough In)

The portion of the surface of the earth which is disturbed by excavation and other construction work shall be finish graded, seeded, sodded and or covered with other approved landscaping as soon as construction work and weather permit.

1. No burial of construction debris will be permitted.
2. All soil to be removed from any of the units either in grading or excavating will, at the option of the developer, become the property of the developer, and when removed will be placed by the owner of the unit in such a place or places within the Project as the Developer will designate at the owners expense.

3. All driveway curb cuts and sidewalk removal (if applicable) shall be roughed in with a gravel base to allow adequate construction traffic before the basement or foundation work is performed.
4. Owners may not interrupt the surface flow of storm water across their units
- b. **Garages:** Each Single-family dwelling shall have a minimum of a two (2) car attached garage. Carports shall not be erected, placed or permitted to remain on any unit. All driveways shall be surfaced with concrete or paving bricks at the time of construction of the dwelling served thereby, weather permitting.
- c. **Temporary Structures:** No old or used structure, of any kind, shall be placed on any unit. No temporary structure of any character such as tent, camper, mobile home, trailer, shack, barn and or other out building of any design whatsoever shall be erected or placed upon any unit prior to construction of the main dwelling, nor shall any such structure be occupied as living quarters at any time.

This provision shall not prevent the use of temporary structures incidental to and during construction of the main dwelling provided that such temporary structures shall be removed from the premises immediately upon completion of the main dwelling.

d. **Accessory Buildings and Structures**

Estates: No accessory building or other out-building or structure (including playground equipment) shall be permitted on any Estate unit (Unit 1 through 43) unless it is approved by the Developer, or the Association, as provided in Section 3.

The Developer, or the Association, in the exercise of its sole discretion, may permit the erection of structures such as swimming pool accessory buildings, greenhouses or lawn/garden storage sheds. Notwithstanding the Developer's, or the Association's approval, such structures shall be architecturally compatible with the main dwelling, be constructed of similar material and on a concrete slab with a rat wall, and shall not exceed two hundred (200) square feet in size, without the advance written approval of

the Developer, or the Association, if applicable. No oil or fuel storage tanks may be installed on any unit.

Villas: No Accessory building or structure (including playground equipment) will be permitted on any Villa Unit (Unit 44 through 65). Pool accessory structures shall be attached to and a part of the residential structure and shall not be permitted unless approved by the Developer, or the Association, as provided in Section 3.

e. Swimming Pools

All swimming pools shall be below ground, except children's play pools, hot tubs and whirlpool tubs. The Developer, or the Association, in the exercise of its sole discretion, may permit hot tubs and or whirlpool baths.

f. Fences: No owner shall construct, or cause to be constructed, any fence of any nature upon his unit or the common elements without the prior written approval of the Developer, or the Association, if applicable.

Project Perimeter fences along the exterior lines of the west side of the Project running along the property presently owned by Southern Michigan Railroad shall be permitted. However, perimeter fences along the exterior lines between units shall not be permitted.

Perimeter fences around swimming pools shall be required to be constructed in accordance with all applicable building codes. Villa Swimming Pool fencing shall also be physically attached to the main building structure.

Fences shall not be located within the front or side set-backs, or in front of the rear building line of the dwelling to be located on each unit and shall not exceed four (4) feet in height except around swimming pools and tennis courts.

Fences erected to screen patios, enclose child play areas and fenced dog runs may be permitted only with advance written approval of the Association as to size, location and fencing materials. No dog runs may be constructed in front of the rear line of the dwelling constructed within a unit or within the side yard set-back line, and any such dog run must be attached to the rear of the dwelling to allow direct access from the house, deck or patio. Invisible fences are encouraged for pet control.

All fencing and/or screening shall be made of materials which are architecturally compatible with the main dwelling, specifically excluding cyclone fencing, snow fencing and plywood, but including split rail construction, which may have a green wire liner on the inner side of the fence.

- g. **Exterior Lighting:** No owner shall install exterior lighting that causes excessive illumination so as to constitute a nuisance to other owners.

All exterior lighting shall be mounted on the dwellings, except for low wattage lighting adjacent to driveways, decks, patios, walkways, and swimming pools. Landscape lighting is permitted in accordance with City of Tecumseh regulations.

- h. **Mailboxes:** Mailboxes will be provided and installed at the main entry traffic circle by developer. The "mail-house" will be available and well-lit at all times. No newspaper or delivery structures may be installed at curb or upon a Unit

- i. **Antenna:** No radio, television or other antenna or aerial shall be permitted on any unit other than the type commonly used for domestic residential purposes. Any antenna or aerial shall be installed on the main dwelling and not on a separate pole or tower.

Dish-type antennas in excess of (1) meter in diameter shall not be permitted nor shall any antenna or aerial exceeding twelve (12) feet in height above the roof ridge line on any dwelling unit.

- j. **Maintenance of Unimproved Units:** Units which have not been improved shall remain in their natural state, but shall be maintained in a presentable condition by the owner or developer if not sold.

Grassy areas shall be mowed to control weeds. No dumping of grass or other refuse shall be allowed on unimproved units. The Association shall enforce this paragraph pursuant to Article XIX, below.

- k. **Refuse and Garbage:** Each owner shall promptly dispose of all refuse and garbage so that it will not be objectionable or visible to adjacent owners.

No visible outside storage of refuse or garbage shall be permitted. No outside incinerator shall be permitted. Each dwelling shall be equipped with an

interior garbage disposal. No disposal of garbage, rubbish, leaves or debris shall be allowed on vacant units.

Garden composting shall be allowed provided that it shall not result in a violation of any other restriction in these bylaws, or any City of Tecumseh ordinance, regulation or rule.

- l. Trees:** In the absence of an existing adequate number of deciduous trees, the initial owner of each unit who shall construct a dwelling thereon shall provide a minimum of two (2) trees with a minimum of two (2) inches and no less than five (5) feet of height. The location of these trees shall comply with all City of Tecumseh ordinances, codes, rules and regulations.
- m. Lawn Maintenance:** Application of pesticides, herbicides or high nitrogen/phosphate fertilizers within a drainage easement or twenty-five (25) feet of the edge of the Red Mill Pond shall not be allowed. The landscape committee shall monitor and control the lawn maintenance procedures when selected by Unit owners per the Non-Structure Unit Maintenance Agreement.

Section 2. Architectural Control: No dwelling, structure or other improvement shall be constructed within a unit or elsewhere within the project, nor shall any exterior modification be made to any existing dwelling, structure or improvement, unless the site plan and building plans and specifications therefor containing such detail as the Developer may reasonably request have first been approved by the Developer.

Construction of any dwelling or other improvements must also receive any necessary approval from the local authority. The Developer shall have the right to refuse to approve any such plans or specifications for setbacks, grading or landscaping plan which is not suitable or desirable in its sole opinion for aesthetic or other reasons; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, proposed exterior materials.

Approved Exterior materials will not include plywood siding (Including T1-11), Aluminum, Vinyl Siding, or Brick Laminate unless approved by the Developer.

Vinyl may be used only in Soffit applications (.044 thickness or greater).

The exterior colors will blend in with existing dwellings and the natural surroundings, the site upon which it is proposed to be constructed, the location of the dwelling within each unit, and the degree of harmony thereof with the Project as a whole.

Lawns shall occupy the majority of the front yard between the dwelling and the travelled portion of the road adjacent thereto. If the garage requires courtyard entry, driveway designs should be such to maximize landscape and lawn areas.

No log, modular, manufactured or any type of residential housing constructed off-site will be permitted.

No flat roofs will be permitted and a minimum front pitch of 6/12 will be required. The purpose of this section is to assure a continued maintenance of the Project as a beautiful and harmonious residential development, and shall be binding upon both the Association and upon all owners.

The Developer's rights under this article VI section 3 may in the Developers discretion be assigned to the Association or other successor to the Developer. Said rights shall automatically be assigned to the Association at the end of the construction and sales period.

The Developer may construct any improvements upon the Project that it may, in its sole discretion, elect to make without the necessity of prior consent from the Association, or any other person or entity, subject only to express limitations contained in the Project documents, and any limitations imposed by the City of Tecumseh.

In no event shall any unit owner have the right to impose liability on the developer or the Association, or otherwise contest judicially any decision of the Developer or the Association (or alleged failure of the Developer or Association to make a decision) relative to the approval or disapproval of a site plan and building plans, or any aspect or other matter as to which the Developer reserves the right to approve, disapprove or grant variance with regard to under article VI.

The approval by the Developer of a site plan and building plans, or other matter shall not be construed as a representation or warranty that the site plan or building plans or other matter is in conformity with the zoning ordinances of the City of Tecumseh, if applicable, or building regulations of any other governmental authority. The Developer specifically disclaims any obligation or duty to ascertain

any such non-conformity or to advise a unit owner or any other person of the same even if known to the Developer.

Section 3. Leasing and Rental

A. Right to Lease An owner may lease his unit and the improvements thereon for single family residential purposes as defined by the City of Tecumseh. No owner shall lease less than an entire unit and the improvements thereon. No owner shall lease a unit for a period less than 12 months.

The terms of all leases, occupancy agreements, and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Project documents.

An 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 or otherwise agreeing to grant possessions of a unit to potential lessees or occupants and, at the same time, shall supply the Association with a copy of the exact lease for its review for its compliance with the condominium documents.

The owner or Developer shall also provide the Association with a copy of the executed lease. If no lease is to be used, then the Owner or Developer shall supply the Association with the name and address of the lessees or occupants, along with the rental amount and due dates of any compensation payable to an owner or the Developer, the due dates of that rental and compensation, and the term of the proposed arrangement. The Developer may lease any number of units and the improvements thereon in its discretion.

B. Leasing Procedures The leasing of units and improvements thereon shall conform to the following provisions:

- (1) Tenants and non-owner occupants shall comply with all of the conditions of the project documents, and all leases and rental agreements shall so state.
- (2) If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the project documents, the association shall take the following action:

- a. The Association shall notify the owner by certified mail advising of the alleged violation by the tenant.
 - b. The owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.
 - c. If after fifteen (15) days, the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or non-owner occupant and simultaneously for money damages in the same action against the owner and tenant or non-owner occupant for breach of the conditions of the Project documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the owner liable for any damages to the common elements caused by the owner or tenant in connection with the unit or the Project.
- (3) When an owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying an owner's unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant. Any tenant failing to make such payments after receiving written notice from the Association shall become personally liable for their payment to the Association and the Association may do the following:
- a. Issue a statutory notice to quit for non-payment of rent to the tenant and shall have the right to enforce that notice by summary proceedings.
 - b. Initiate proceedings pursuant to subsection (2) (c) hereinabove.

Section 4. Changes in Common Elements: Except as provided in article VI, Section 3 above with respect to the Developer, no owner shall make changes in any of the common elements without the express written approval of the Board of Directors of the Association, and the City of Tecumseh, if applicable.

Section 5. Activities: No unlawful or offensive activity shall be carried on in any unit or upon common elements, nor shall anything be done which may be or become an annoyance or a nuisance to the owner of the Project.

No garage sales shall be permitted on any unit in the Project, except when done in conjunction with the sale of a dwelling, or when a neighborhood garage sale is held, and then such sale shall be limited to two (2) days in duration.

No unreasonably noisy activity shall occur in or on the common elements or in any unit at any time, and disputes among owners arising as a result of this provision which cannot be amicably resolved shall be arbitrated by the Association.

No owner shall do or permit anything to be done, or keep or permit to be kept in his unit or on the common elements anything that will increase the rate of insurance on the Project without the written approval of the Association, and each owner shall pay to the Association the increased insurance premiums resulting from any such activity or the maintenance of any such condition if approved.

Activities which are deemed offensive and are expressly prohibited include, but are not limited to the following:

- Any activity involving the use of firearms, air rifles, pellet guns, BB guns, bows and arrows, sling shots or other similar dangerous weapons, projectiles or devices.

Section 6. Pets: No animals may be kept on any unit without the prior written consent of the Association, which, if given, may be revoked at any time by the Association except for (A) any combination of (2) two domestic dogs or domestic cats, and (B) any domestic animals other than dogs or cats that are completely confined within the residential dwelling on each Unit. No exotic, savage, or dangerous animal shall be kept on the Property, and no animal may be kept or bred for commercial purposes. Common household pets permitted under the provisions of this subsection shall be kept only in compliance with the rules and regulations promulgated by the Board of Directors from time to time and must at all times be kept under care and restraint so they are not obnoxious on account of noise, odor,

or unsanitary conditions. No animal shall be permitted to run loose on the Common Elements or on any Unit except the Unit owned by the owner of the animal, and the owner of each pet shall be responsible for cleaning up after it.

Section 7. Aesthetics: Neither the common elements nor the unit outside of the dwelling and garage constructed thereon shall be used for the display of lawn statuary or the storage of supplies, materials, firewood, personal property, or trash or refuse of any kind, except as provided duly adopted rules and regulations of the Association.

Trash receptacles shall be maintained in garages or enclosures that are not visible by others and shall not be permitted to remain elsewhere on the unit or common elements except for such short periods of time as may be reasonably necessary to permit periodic collection on trash.

In general, no activity shall be carried on nor condition maintained by an owner, either in his unit or upon the common elements, which is detrimental to the appearance of the Project.

In the event that any dwelling is damaged or destroyed a general clean-up shall be accomplished within thirty (30) days. Minor repairs shall be completed as soon as possible and completion of major repairs and reconstruction shall be accomplished with nine (9) months, weather permitting.

Section 8. Vehicles: No travel trailers, motor homes, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, all-terrain vehicles, snowmobiles, snowmobile trailers, or vehicles, other than automobiles or vehicles used primarily for general personal transportation purposes, may be parked or stored upon the Project, unless parked in the garage with the door closed.

Travel trailer, motor homes, camping vehicles, and camping trailers may be temporarily parked upon the unit for a period of no more than forty-eight (48) consecutive hours for loading and unloading purposes twice a year.

No inoperable or unlicensed vehicles of any type may be brought or stored upon the Project either temporarily or permanently, unless parked in the garage with the doors closed. Commercial vehicles and trucks shall not be parked in or about the Project (except as above provided) except while making deliveries or pick-ups in the normal course of business, unless parked pursuant to the advance written approval of the Association. Overnight parking on any private road in the Project

is prohibited except as the Association may make reasonable exceptions thereto from time to time.

Section 9. Advertising: No signs or other advertising devices of any kind shall be displayed which are visible from the exterior of the unit or on the common elements, excluding one (1) "For Sale" sign which shall not exceed six (6) square feet in area per side, without written permission from the Association and , during the construction and sales period, from the Developer, and a sign permit issued by the City of Tecumseh, if applicable.

Section 10. Rules and Regulations: It is intended that the Board of Directors of the Association may make rules and regulations, including grievance procedures, from time to time to reflect the needs and desires of the majority of the owners in the Project. Reasonable rules and regulation consistent with the Act, the Master Deed and these By-Laws concerning the use of units and the common elements may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or it's successors) prior to the transitional control date.

Copies of all such rules and regulation and amendments thereto shall be furnished to all owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty percent (50%) of all owners in number and value. Such rules may not be applied to limit the Developer's construction, sales or rental activities.

Section 11. Right of Access of Association: The Association or its duly authorized agents shall have access to the portion of each unit not occupied by the dwelling from time to time, during reasonable working hours, upon notice to the owner thereof, as may be necessary for the maintenance, repair or replacement of storm water drainage easements and of any of the common elements. The Association or its agents shall also have access to each unit at all times without notice as may be necessary to make emergency repairs to prevent damage to the common elements, to the unit itself or to another unit, and shall not be liable to such owner for any necessary damage to his unit caused thereby.

Section 12. Landscaping: No owner shall perform any landscaping or remove, trim or plant any trees, shrubs or flowers or place any ornamental materials on the

general common elements without the prior written approval of the Developer, or the Association, if applicable.

No lawn statuary shall be permitted without the prior written approval of the Developer, or the Association, if applicable.

Basic landscaping, including finish grading, seeding or sodding, must be completed within forty-five (45) days after date of occupancy, weather permitting. The owner of each unit shall develop a landscape plan which will tend to enhance, complement and harmonize with adjacent property. This will best be accomplished by saving as much of the natural features and mature tree growth as possible outside of the building envelope, and the clearing of selected areas of underbrush and less desirable tree growth in order to open special views and to reduce competition with the mature or specimen vegetation.

No existing trees shall be cut, except for diseased and dead trees, without the prior written approval of the Developer or the Association, as set forth in Section 3 of this Article. Notwithstanding, the developer/HOA and site owner will develop a strategy for removal and/or plantings of any water side or Railroad abutting trees to enhance or eliminate views.

No surface soil shall be dug or removed from any unit for purposes other than building and landscaping of the unit, without the prior written approval of the Developer, or the Association, if applicable. All debris shall be promptly removed.

New planting shall complement and enhance the character of the existing vegetation, topography and structures. Each owner shall have the responsibility to maintain the grounds of his unit, together with that portion of the general common elements in front thereof between the unit and the traveled portion of the road right-of-way, including the mowing of grass to a height of six inches (6") or less, removal of weeds, and proper trimming of bushes and trees.

If the Association shall receive complaints from other owners regarding lack of maintenance of the grounds of a unit, then, and in that event, it shall have the right and duty to have such maintenance of the grounds of the unit performed as the Board of Directors shall determine as being reasonable, and the charges therefor shall become a lien upon the unit and collected in the fashion as set for

in Article II of these By-Laws. The Association shall enforce this paragraph pursuant to Article XIX, below.

Section 13. Common Element Maintenance: Streets, street sidewalks, yards, landscaped areas, and driveways shall not be obstructed nor shall they be used for purposes other than that for which they are reasonable and obviously intended. No bicycles, chairs or other obstructions may be left unattended outside of the unit, or they may be removed and disposed of at the discretion of the Association. All Right of way and general common area (street & sidewalk) will be snow cleared by the Association.

Section 14. Owner Maintenance: Each owner shall maintain his Unit, together with that portion of the general common elements in front thereof between the Unit boundary and the sidewalk, and the improvements on the Unit in a safe, aesthetically pleasing, clean and sanitary condition. This shall include mowing the area between the Unit boundary line and the sidewalk.

Each owner shall also use due care to avoid damaging any of the common elements, including, but not limited to natural gas, electrical, sewer, water lines, drainage easement courses or other utility conduits and systems and any other common elements within any unit which are appurtenant to or which may affect any other unit. Each owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the common elements by him or his family, guests, agents, or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility unless reimbursement to the Association is limited by virtue of a deductible provision, in which case the responsible owner shall bear the expense to the extent of the deductible amount). Any cost of damages to the Association may be assessed to and collected from the responsible owner in the manner provided in Article II hereof.

Section 15. Reserved Rights of Developer

- a. **Prior approval by Developer:** During the construction and sales period, no hedges, trees or substantial plantings or landscaping shall be installed or trimmed until plans and specifications, approved in writing by the Developer, showing the nature kind, shape, height, grading or landscaping plan of the area to be affected shall have been submitted to and approved in writing by the Developer, and a copy of said plans and specifications, as finally approved, lodged permanently with the Developer.

- 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, if any, of the developer during the construction and sales period or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation, as the same may amend from time to time. Notwithstanding anything to the contrary elsewhere herein contained, the Developer shall have the right throughout the entire construction and sales period to maintain, or authorize others to maintain, a sales office, a construction office, a sales or construction trailer, model homes, storage areas, and reasonable parking incidental to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire project by the Developer, subject to the approval of the City of Tecumseh.

- c. Enforcement of By Laws: The Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private residential community for the benefit of the owners and all persons interested in the Project. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace, and landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any entity to which in may assign this right, at its option, may elect to maintain, repair and/or replace any common elements and/or to do any landscaping required by these By-Laws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these By-Laws throughout the construction and sales period notwithstanding that it may no longer own a unit in the Project, which right of enforcement shall include (without limitation) an action to restrain the Association or any owner from any activity prohibited by these By-Laws.

- d. Variances: The Developer reserves the right, within its sole discretion, to grant variances from the restrictions in Article VI on a case by case basis for specific dwellings, provided that such variances are consistent with the approved site plan and applicable ordinances of the City of Tecumseh.

ARTICLE VII
MORTGAGES

Section 1. Notice to Association: Any owner who mortgages his unit shall notify the Association of the name and address of the mortgagee and the Association shall maintain such information in the book entitled "Mortgages of Units." The Association may, at the written request of a mortgagee of any such unit, which shall provide its name and address, and the unit number or address of the unit on which it has a mortgage, report any unpaid assessments due from the owner of such unit. The association shall give to the holder of any first mortgage covering any unit in the Project, which shall have provided the information required written notification of any default in the performance of the obligations of the owner of such unit that is not cured within sixty (60) days.

Section 2. Insurance: The Association shall notify each mortgagee appearing in said book of the name of each company insuring the general common elements against fire, perils covered by extended coverage, and against vandalism and malicious mischief, public liability, and fidelity coverage, and the amount of such coverage to the extent that the Association is obligated by the terms of these By-Laws to obtain such insurance coverage, as well as of any lapse cancellation or material modification of any insurance policy of fidelity bond maintained by the Association.

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

Section 4. Notice: Whenever a ballot requirement appears in these By-Laws for the benefit of a mortgagee which requires a ballot in support of or against a proposal submitted by the Association, the mortgagee shall respond within ninety (90) days of mailing of said notice or the lack of response thereto shall be deemed as approval of the proposal.

ARTICLE VIII
VOTING

Section 1. Vote: Except as limited in these By-Laws, each owner shall be entitled to one (1) vote for each unit owned.

Section 2. Eligibility to vote: No owner other than the Developer shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a unit in the Project to the Association, such as a copy of a recorded deed, signed land contract or title insurance policy.

A land contract vendee shall be considered the owner for voting purposes. Except as provided in Article XI, Section 2 of these By-Laws, no owner, other than the Developer, shall be entitled to vote prior to the date of the first annual meeting of members held in accordance with Section 2 of Article IX.

The vote of each owner may be cast only by the individual representative designated by such owner in the notice required in Section 3 of this Article VIII or by a proxy given by such individual representative.

The Developer shall be the only person entitled to vote at a meeting of the Association until the first annual meeting of members and shall be entitled to vote during such period notwithstanding the fact that the Developer may own no units at some time or from time to time during such period.

At and after the first annual meeting, the Developer shall be entitled to one (1) vote for each unit which it owns.

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

Section 4. Quorum: The presence in person or by proxy of thirty percent (30%) of the owners qualified to vote, in number and in value, shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Project documents to require a greater quorum.

If a quorum shall not be present at any meeting, the members present may adjourn the meeting for not more than thirty (30) days, and the quorum for said rescheduled meeting shall be one-half (1/2) of that required at the preceding meeting.

The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

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

Section 6. Majority: A majority, except where otherwise provided herein, shall consist of more than fifty percent (50%) of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the member of the Association.

ARTICLE IX
MEETINGS

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

Section 2. First Annual Meeting: The first annual meeting of the members of the Association may be convened only by the Developer and may be called at any time after more than fifty percent (50%) of the units in Red Mill Pond Estates have been sold and the purchasers thereof qualified as members of the Association.

In no event, however, shall such meeting be called later than one hundred twenty (120) days after the conveyance of legal or equitable title to non-developer owners of seventy-five percent (75%) in number of all units that may be created or fifty-four (54) months after the first conveyance of legal or equitable title to a non-developer owner of a unit in the Project, whichever first occurs.

The Developer may call meetings of members for informative or other appropriate purposes prior to the first annual meeting of members, and no such meeting shall be construed as the first annual meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least ten (10) days' written notice thereof shall be given to each owner.

The phrase "units that may be created" as used in this paragraph and elsewhere in the Project documents refers to the maximum number of units which the Developer is permitted under the Project documents to include in the Project.

Section 3. Annual Meetings: Annual meetings of members of the Association shall be held in the months of October or November of each succeeding year after the year in which the first annual meeting is held, on such date and at such time and place as shall be determined by the Board of Directors; provided, however, that the second annual meeting shall not be held sooner than eight (8) months after the date of the first annual meeting.

At such meetings there shall be elected by ballot of the owners a Board of Directors in accordance with the requirements of Article XI of these By-Laws. The owner may also transact at annual meetings such other business of the Association as may properly come before them.

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

Section 5. Notice of Meetings: It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purposes thereof as well as the time and place where it is to be held, upon each owner of record at least then (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice

to the representative of each owner at the address shown in the notice required to be filed with the Association by Article VIII, Section 3 of these By-Laws shall be deemed notice served.

Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

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

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

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

would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

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

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

ARTICLE X
ADVISORY COMMITTEE

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

ARTICLE XI
BOARD OF DIRECTORS

Section 1. Number and qualification of Directors: The first Board of Directors designated by the Developer shall be composed of three (3) persons, and such first Board of Directors shall manage the affairs of the Association until a successor Board of Directors is elected at the first annual meeting of members of the Association convened at the time required by Article IX, Section 2 of these By-Laws. The members of the Board of Directors must be members of the Association or officers, partners, trustees, employees, or agents of members of the Association. No more than one (1) owner from a unit may serve on the Board of Directors at the same time. Directors shall serve without compensation.

Section 2. Election of Directors

- a. **First Board of Directors:** The first Board of Directors, or its successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first non-developer owner to the Board. Elections for non-developer owner Directors shall be held as proved in subsections b and c below.
- b. **Appointment of Non-Developer owners to Board Prior to First Annual Meeting:** Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer owners of twenty-five percent (25%) in number of the units that may be created, one (1) out of the three (3) Directors shall be selected by non-developer owners. When the required percentage of conveyances has been reached, the Developer shall notify the non-developer owners and request that they hold a meeting and elect the required Director. Upon certification to the Developer by the owners of the Director so elected, the Developer shall then immediately appoint such Director to the Board to serve until the first annually meeting of the members unless he is removed pursuant to Section 7 of this Article or he resigns or becomes incapacitated.
- c. **Election of Directors at and After First annual Meeting**
 - (1) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer owners of seventy-five percent (75%) in number of the units that may be created, the non-

developer owners shall elect all directors on the Board, except that the Developer shall have the right to designate at least one (1) Director as long as the units that remain to be created and sold equal at least ten percent (10%) of all units that may be created in the Project. When the seventy-five percent (75%) conveyance level is achieved, a meeting of owner shall be promptly convened to effectuate this provision, even if the first annual meeting has already occurred.

- (2)** Regardless of the percentage of units which have been conveyed, upon the expiration of fifty-four (54) months after the first conveyance of legal or equitable title to a non-developer owner of a unit in the Project, the non-developer owners have the right to elect a number of members of the Board of Directors equal to the percentage of units they own, and the Developer has the right to elect a number of members of the Board of Directors equal to the percentage of units which are owned by the Developer and for which all assessments are payable by the Developer.

This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (1). Application of this subsection does not require a change in the size of the Board of Directors.

- (3)** If the calculation of the percentage of members of the Board of Directors that the non-developer owners have the right to elect under subsection (2) or if the product of the number of members of the Board of Directors multiplied by the percentage of units held by the non-developer owners under subsection b results in a right of non-developer owners to elect a fractional number of the members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of the members of the Board of Directors that the non-developer owners have the right to elect.
- (4)** At the first annual meeting of members, two (2) Directors shall be elected for a term of two (2) years and one (1) Director shall be elected for the term of (1) year.

At such meeting, all nominees shall stand for election as one (1) slate, and the two (2) persons receiving the highest number of votes shall be elected for the term of two (2) years and the person receiving the next highest number of votes shall be elected for a term on one (1) year.

At each annual meeting held thereafter, either one (1) or two (2) Directors shall be elected, depending upon the number of Directors whose terms expire.

After the first annual meeting, the term of office (except for the Director elected for one (1) year at the first annual meeting) of each Director shall be two (2) years.

The Board of Directors shall have the option of increasing its members from three (3) persons to five (5) persons at any subsequent annual meeting of members of the Association by declaring the increase in number of Directors to be elected prior to such meeting.

The Directors shall hold office until their successors have been elected and hold their first meeting.

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

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

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

1. To manage and administer the affairs of and to maintain the Project and the common elements thereof;

2. To levy and collect assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association, to enforce assessments through liens and foreclosure proceedings when appropriate, and to impose late charges for nonpayment of assessments;
3. To carry insurance and collect and allocate the proceeds thereof;
4. To rebuild improvements to the common elements after casualty, subject to all of the other applicable provisions of the Project documents;
5. To contract for and employ persons, firms, corporations, or other agents to assist in the administration, management, maintenance, repair, replacement, and operation of the Project, including fulfilling drainage responsibilities within individual units;
6. To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Project, and to delegate to such committees any function or responsibilities which are not by law or the Project documents required to be performed by the Board.
7. To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, or any interest therein, including, but not limited to, any unit in the Project, any easements or licenses or any other real property, whether or not contiguous to the Project, for the purpose of providing benefit to the members of the Association and in furtherance of any of the purposes of the Association.
8. To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of sixty percent (60%) of all of the members of the Association.
9. To make reasonable rules and regulations governing the use and enjoyment of units and the Project by members and their tenants, guest, employees, invitees, families and pets and to enforce such rules and regulations by all

legal methods, including, without limitation, imposing fines and late payment charges, or instituting eviction or legal proceedings.

10. To make rules and regulations and/or to enter into agreements with institutional lenders the purposes of which are to enable owners to obtain mortgage loans which are acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, and/or any other agency of the Federal Government or the State of Michigan.
11. To levy, collect and disburse fines against and from the members of the Association after notice and hearing thereon and to use the proceeds thereof for the purposes of the Association.
12. To enforce the provisions of the Master Deed and By-Laws of the Project and of these Articles of Incorporation and such By-Laws and Rules and Regulations of the Association as may hereafter be adopted.
13. To do anything required of or permitted to it as Administrator of said Project by the Master Deed or By-Laws or by Act No. 59 of Public Acts of 1978, as from time to time amended.
14. To assert, defend or settle claims on behalf of all owners in connection with the common elements of the Project. The Board shall provide at least a ten (10) day written notice to all owners on actions proposed by the Board with regard thereto.

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

In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than one (1) year or which is not terminable by the Association upon thirty (30) days' written

notice thereof to the other party, and no such contract shall violate the provisions of Section 55 of the Act.

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

Section 7. Removal: At any regular or special meeting of the Association duly called with the due notice of the removal action proposed to be taken, and one (1) or more of the Directors may be removed without cause by the affirmative vote of more than fifty percent (50%) in number and in value of all of the owners present and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal requirement set forth in Article VIII Section 4.

Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the Directors selected by it at any time or from time to time in its sole discretion. Likewise, any Director selected by the non-developer owner to serve before the first annual meeting may be removed before the first annual meeting in the same manner set forth in this paragraph for removal of Directors general.

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

Section 9. Regular Meetings: Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two (2) such meetings shall be held during

each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director personally, by mail, email, fax, telephone or telegraph, at least ten (10) days prior to the date named for such meeting.

Section 10. Special Meetings: Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director given personally, by mail, email, fax, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) Directors.

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

Section 12. Quorum: At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, less than a quorum is present, the majority of those present may adjourn the meeting to a subsequent time upon twenty-four (24) hours' prior written notice delivered to all Directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for purposes of determining a quorum. A quorum of the directors shall also permit the Board of Directors to take action by the written consent of individual directors and by means of a telephone conference between the directors. The Board of Directors is not subject to the Michigan Open Meetings Act and may close portions of its meetings to the owners, and provide for confidentiality of the minutes of the closed portion of its meetings, for such issues, as an example, as discussion of personnel employment and litigation matters.

Section 13. First Board of Directors: The actions of the first Board of Directors of the Association or any successors thereto selected or elected before the transitional control date shall be binding upon the Association so long as such actions are within the scope of the power and duties which may be exercised generally by the Board of Directors as provided in the Project documents.

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

ARTICLE XII **OFFICERS**

Section 1. Officers: The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, a Secretary, and a Treasurer. The Directors may appoint an Assistant Treasurer and Assistant Secretary and such other officers as in their judgment may be necessary. Any two (2) offices except that of President and Vice President may be held by one (1) person.

- a. **President:** The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members of the Association from time to time as he may in his discretions deem appropriate to assist in the conduct of the affairs of the Association.
- b. **Vice President:** The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.
- c. **Secretary:** The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have charge of the corporate seal, if any, and of such

books and papers as the Board of Directors may direct; and he shall, in general perform all duties incidental to the office of Secretary.

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

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

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

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

ARTICLE XIII

SEAL

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

ARTICLE XIV

FINANCE

Section 1. Records: The association shall keep detailed books of account showing all expenditures and receipts of administration and which shall specify the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the Association and the owners. Such

accounts and all other Association records shall be open for inspection by their owners and their mortgagees during reasonable working hours.

The Association shall prepare and distribute to each owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor that such audit be a certified audit.

Any institutional holder of a first mortgage lien on any unit in the Project shall be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration. If an audited statement is not available, any holder of a first mortgage on a unit in the Project shall be allowed to have an audited statement prepared at its own expense.

Section 2. Fiscal Year: The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Directors. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

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

ARTICLE XV

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every Director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connections with any proceedings to which he may be a party or in which he may become involved by reason of his being or having been a Director or officer of the Association, whether or not he is a Director or officer at

the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the Director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association.

The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

At least ten (10) days prior to payment of any indemnification which is approved, the Board of Directors shall notify all owners thereof. Further, the Board of Directors is authorized to carry officers' and directors' liability insurance covering acts of the officers and Directors of the Association in such amounts as it shall deem appropriate.

ARTICLE XVI
AMENDMENTS

Section 1. Proposal: Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or may be proposed by one-third (1/3) or more of the owners by instrument in writing signed by them.

Section 2. Meeting: Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provision of these By-Laws.

Section 3. Voting by Board of Directors: These By-Laws may be amended by an affirmative vote of a majority of the Board of Directors, provided that such amendments do not materially alter or change the rights of owners, mortgagees or other interested parties, or amend Article VI without the prior written approval of the Developer (if the Developer continues to own at least one (1) unit in the Project), and to keep these By-Laws in compliance with the Act.

Section 4. Voting by Owners: These By-Laws may be amended by the owners at any regular annual meeting or a special meeting called for such purpose by and affirmative vote of not less than two-thirds (2/3) of all owners.

No consent of mortgages shall be required to amend these By-Laws, except as otherwise provided in Section 90a of the Act, in which event the approval of two-thirds (2/3) of the first mortgagees shall be required, with each mortgagee to have one (1) vote for each mortgage held. Any mortgagee ballots not returned within ninety (90) days of mailing shall be counted as approval for the change.

The affirmative vote of two-thirds (2/3) of owners is considered two-thirds (2/3) of all the owners entitled to vote as of the record date for such votes.

Consent from the Developer shall be obtained if any amendment of Article VI is proposed and the Developer continues to own at least one (1) unit in the Project. Consent from the City of Tecumseh shall be obtained if any public interest is affected. A person causing or requesting an amendment to the Project documents shall be responsible for costs and expenses of the amendment except for amendments based upon a vote of a prescribed majority of owners or based upon the Advisory Committee's decision, the costs of which are expenses of administration.

Section 5. By Developer: These By-Laws may be amended by the Developer, without approval from any owner or mortgagee, to keep these By-Laws in compliance with the Act and to make such other amendments to these By-Laws as do not materially alter or change the rights of any owner or mortgagee.

Section 6. When Effective: Any amendment to these By-Laws shall become effective upon the recording of such amendment in the Office of the Lenawee County Register of Deeds.

Section 7. Binding: A copy of each amendment to the By-Laws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these By-Laws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project irrespective of whether such persons actually receive a copy of the amendment.

Section 8. Notice: Eligible mortgage holders, those holders of a first mortgage on a unit who have requested the Association to notify them on any proposed action that required the consent of a specified percentage of eligible mortgage holders, also shall have the right to join in the decision making about certain amendments to the Project documents.

ARTICLE XVII
COMPLIANCE

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

ARTICLE XVIII
DEFINITIONS

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

ARTICLE XIX
REMEDIES FOR DEFAULT

Any default by an owner shall entitle the Association or another owner or owners to the following relief:

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

Section 2. Recovery of Costs: In any proceeding arising because of an alleged default by an owner, the Association or the owner or owners bringing the legal action, if successful, shall be entitled to recover the costs of the proceedings and actual attorney's fees (not limited to statutory fees), but in no event shall any defending owner be entitled to recover such attorney's fees.

Section 3. Removal and Abatement: The violation of any of the provisions of the Project documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the common elements or into any unit when reasonably necessary and summarily remove and abate, at the expense of the owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Project documents. The Association

shall have no liability to any owner arising out of the exercise of its removal and abatement power authorized herein.

Section 4. Assessment of Fines: The violation of any of the provisions of the Project documents by any owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all owners in the same manner as prescribed in Article IX, Section 5 of these By-Laws. Thereafter, fines may be assessed only upon notice to the offending owners as prescribed in said Article IX, Section 5, and after an opportunity for such owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation.

All fines duly assessed may be collected in the same manner as provided in Article II of these By-Laws. No fine shall be levied for the first violation. No fine shall exceed Fifty Dollars (\$50.00) for the second violation, One Hundred Dollars (\$100.00) for the third violation, or be less than One Hundred Dollars (\$100.00) for any subsequent violation.

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

Section 6. Cumulative Rights, Remedies and Privileges: All rights, remedies and privileges granted to the Association or any owner or owners pursuant to any terms, provisions, covenants, or conditions of the aforesaid Project documents shall be deemed to be cumulative, and the exercise of any one (1) or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 7. Enforcement of Provisions of Project Documents: An owner may maintain an action against the Association and its officers and Directors to compel such persons to enforce the terms and provisions of the Project documents. In such a proceeding, the Association, if successful, shall recover the costs of the proceeding and actual attorney's fees (not limited to statutory fees). An owner

may maintain and action against any other owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Project documents or the Act.

ARTICLE XX
RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the Project documents or by law, including the right and power to approve or disapprove any act, use or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association, any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such powers and rights, and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer.

Any rights and powers reserved by or granted to the Developer or its successors shall terminate, if no sooner assigned to the Association, at the conclusion of the construction and sales period as defined in Article I of the Master Deed. The immediately preceding sentence dealing with the termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to the Developer's rights to approve and control the administration of the Project and shall not, under any circumstances, be construed to apply to or cause the termination and expiration of any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents which shall not be terminable in any manner thereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby).

ARTICLE XXI
SEVERABILITY

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

EXHIBIT B

**Lone Oak of Red Mill Pond Condominium
Drawing Package**

MASTER DEED – MAIN DESCRIPTION

DESCRIPTION:

Lone Oak of Red Mill Pond

City of Tecumseh, Lenawee County, Michigan

All that part of the Northeast ¼, Section 28, Town 5 South, Range 4 East, described as beginning on the easterly right of way of the Southern Michigan Railroad 1907.26 feet South 01° 25' 17" East and 1460.12 feet North 88° 34' 43" East from the North ¼ corner of Section 28 aforesaid; thence along the said Easterly right of way of the Southern Michigan Railroad along the arc of a 8591.72 foot radius curve right 1006.60 feet (chord bearing and distance being North 16° 21' 27" West 1006.02 feet); thence North 75° 08' 41" East 333.98 feet; thence along the arc of a 151.50 foot radius curve right 91.51 feet (chord bearing and distance being North 00° 38' 24" East 90.13 feet); thence along the arc of a 21.00 foot radius curve left 25.53 feet (chord bearing and distance being North 16° 52' 41" West 23.98 feet); thence North 38° 17' 56" East 78.00 feet; thence along the arc of a 21.00 foot radius curve left 25.53 feet (chord bearing and distance being South 86° 31' 26" East 23.98 feet); thence along the arc of a 151.50 foot radius curve right 46.55 feet (chord bearing and distance being North 67° 27' 22" East 46.37 feet); thence North 29° 36' 36" East 199.66 feet to a point known hereafter as Point "B"; thence along an Intermediate traverse line along the shoreline of Red Mill Pond South 64° 41' 51" East 152.43 feet to a point known hereafter as Point "C"; thence continuing along said intermediate traverse line North 77° 16' 23" East 200.91 feet and South 31° 06' 48" East 112.03 feet and South 50° 16' 39" East 140.92 feet and South 28° 44' 46" West 322.85 feet and South 00° 00' 22" West 270.93 feet and South 16° 00' 07" East 135.61 feet and South 56° 25' 34" East 80.75 feet and South 14° 16' 32" East 144.70 feet and South 33° 17' 08" East 148.09 feet and South 59° 06' 52" East 73.47 feet and South 64° 10' 35" East 220.45 feet and South 19° 23' 40" East 73.64 feet and South 40° 51' 56" West 205.53 feet and South 15° 42' 41" West 150.66 feet to a point known hereafter as Point "D"; thence leaving said intermediate traverse line South 88° 15' 36" West 130.01 feet; thence South 43° 18' 20" West 106.59 feet along the northerly line of Bishop Reed Drive; thence North 74° 15' 09" West 163.44 feet; thence North 21° 27' 19" West 200.92; thence North 74° 13' 17" West 509.68 feet to the point of beginning. Parcel lines extend from said Point "B" North 29° 36' 36" East to the water's edge of Red Mill Pond and also from said Point "D" North 88° 15' 36" East to the water's edge of Red Mill Pond.

EXCEPTING therefrom a parcel of land described as all that part of the Northeast ¼, Section 28, Town 5 South, Range 4 East, described as beginning 1907.26 feet S 01° 25' 17" E and 1460.12 feet N 88° 34' 43" E and 509.68 feet S 74° 13' 17" E from the North ¼ corner of Section 28 aforesaid; thence S 74° 13' 17" E 71.37 feet; thence along the arc of a 94.00 foot radius curve left 186.12 feet (chord bearing and distance S 42° 24' 36" E 157.18 feet); thence along the arc of a 51.00 foot radius curve right 90.61 feet (chord bearing and distance S 48° 14' 12" E 79.15 feet); thence along the arc of a 1020.27 foot radius curve right 43.28 feet (chord bearing and distance S 03° 52' 35" W 43.28 feet); thence N 74° 15' 09" W 163.44 feet; thence N 21° 27' 19" W 200.92 feet to the point of beginning, subject to easements and restrictions of record, if any. Containing 0.42 acres.

Also EXCEPTING therefrom a parcel of land described as all that part of the Northeast ¼, Section 28, Town 5 South, Range 4 East, described as beginning 719.50 feet S 01° 25' 17" E and 1787.32 feet N 88° 34' 43" E from the North ¼ corner of Section 28 aforesaid; thence along the arc of a 151.50 foot radius curve left 163.47 feet (chord bearing and distance N 72° 49' 48" W 155.65 feet); thence N 29° 36' 36" E 199.66 feet to a point known hereafter as Point "B"; thence along an intermediate traverse line along the shoreline of Red Mill Pond S 64° 41' 51" E 152.43 feet to a point known hereafter as Point "C"; thence leaving said intermediate traverse line S 29° 36' 36" W 177.58 feet to the point of beginning. Parcel lines to extend from Point "B" N 29° 36' 36" E to the water's edge of Red Mill Pond and also from Point "C" N 29° 36' 36" E to the water's edge of Red Mill Pond. Subject to easements and restrictions of record, if any. Containing 0.61 acres within the closed traverse and approximately 0.09 acres between the water's edge and the traverse line for a total of 0.70 acres more or less.

Also EXCEPTING therefrom a parcel of land described as all that part of the Northeast ¼, Section 28, Town 5 South, Range 4 East, described as beginning 1907.26 feet S 01° 25' 17" E and 1460.12 feet N 88° 34' 43" E and 509.68 feet S 74° 13' 17" E and 200.92 feet S 21° 27' 19" E and 163.44 feet S 74° 15' 09" E from the North ¼ corner of Section 28 aforesaid; thence along the arc of a 1020.27 foot radius curve left 43.28 feet (chord bearing and distance being N 03° 52' 35" E 43.28 feet); thence along the arc of a 51.00 foot radius curve left 90.61 feet (chord bearing and distance being N 48° 14' 12" W 79.15 feet); thence along the arc of a 94.00 foot radius curve right 199.98 feet (chord bearing and distance being N 38° 11' 13" W 164.34 feet); thence along the arc of a 131.00 foot radius curve left 76.38 feet (chord bearing and distance being N 06° 03' 27" E 75.30 feet); thence along the arc of a 91.00 foot radius curve left 85.12 feet (chord bearing and distance being N 37° 26' 49" W 82.05 feet); thence along the arc of a 377.50 foot radius curve left 74.48 feet (chord bearing and distance being N 69° 53' 41" W 74.36 feet); thence along the arc of a 622.50 foot radius curve right 726.31 feet (chord bearing and distance being N 42° 07' 19" W 685.81 feet); thence S 83° 36' 18" W 158.29 feet to the easterly right of way line of the Southern Michigan Railroad; thence 50.70 feet along the arc of a 8591.72 foot radius curve right (chord bearing and distance being N 15° 57' 27" W 50.70 feet) along the easterly right of way line of the Southern Michigan Railroad; thence N 83° 36' 18" E 166.71 feet; thence along the arc of a 622.50 foot radius curve right 261.50 feet (chord bearing and distance being N 07° 56' 27" E 259.58 feet); thence N 04° 57' 06" E 55.09 feet; thence along the arc of a 639.00 foot radius curve right 54.18 feet (chord bearing and distance being N 27° 10' 51" E 54.16 feet); thence N 29° 36' 36" E 38.88 feet; thence along the arc of a 21.00 foot radius curve left 25.53 feet (chord bearing and distance being N 05° 12' 47" W 23.98 feet); thence along the arc of a 151.50 foot radius curve right 153.31 feet (chord bearing and distance being N 11° 02' 44" W 146.85 feet); thence along the arc of a 21.00 foot radius curve left 25.53 feet (chord bearing and distance being N 16° 52' 41" W 23.98 feet); thence N 38° 17' 56" E 78.00 feet; thence along the arc of a 21.00 foot radius curve left 25.53 feet (chord bearing and distance being S 86° 31' 26" E 23.98 feet); thence along the arc of a 151.50 foot radius curve right 319.09 feet, (chord bearing and distance being S 61° 00' 33" E 263.29 feet); thence along the arc of a 21.00 foot radius curve left 25.53 feet (chord bearing and distance being S 35° 29' 41" E 23.98 feet); thence S 70° 19' 03" E 53.05 feet; thence along the arc of a 21.00 foot radius curve left 30.66 feet (chord bearing and distance being N 67° 51' 06" E 28.01 feet); thence along the arc of a 522.50 foot radius curve right 28.89 feet (chord bearing and distance being N 27° 36' 17" E 28.89 feet); thence N 29° 11' 20" E 35.03 feet; thence along the arc of a 21.00 foot radius curve left 18.15 feet (chord bearing and distance being N 04° 25' 54" E 17.59 feet); thence along the arc of a 46.00 foot radius curve right 39.75 feet (chord bearing and distance being N 04° 25' 54" E 38.53 feet); thence N 29° 11' 20" E 30.00 feet; thence along the arc of a 46.00 foot radius curve right 144.51 feet (chord bearing and distance being S 60° 48' 40" E 92.00 feet); thence S 29° 11' 20" W 30.00 feet; thence along the arc of a 46.00 foot radius curve right 39.75 feet (chord bearing and distance being S 53° 56' 46" W 38.53 feet); thence along the arc of a 21.00 foot radius curve left 18.15 feet (chord bearing and distance being S 53° 56' 46" W 17.59 feet); thence S 29° 11' 20" W 35.03 feet; thence along the arc of a 477.50 foot radius curve left 207.36 feet (chord bearing and distance being S 16° 44' 54" W 205.73 feet); thence S 04° 18' 28" W 140.04 feet; thence along the arc of a 477.50 foot radius curve left 427.97 feet (chord bearing and distance being S 21° 22' 06" E 413.79 feet); thence along the arc of a 222.50 foot radius curve right 164.89 feet (chord bearing and distance being S 25° 48' 52" E 161.14 feet); thence along the arc of a 21.00 foot radius curve left 27.31 feet (chord bearing and distance being S 41° 50' 23" E 25.43 feet); thence along the arc of a 122.50 foot radius curve right 63.06 feet (chord bearing and distance being S 54° 20' 45" E 62.37 feet); thence S 49° 35' 49" E 142.88 feet; thence along the arc of a 21.00 foot radius curve left 18.15 feet (chord bearing and distance being S 74° 21' 15" E 17.59 feet); thence along the arc of a 46.00 foot radius curve right 39.75 feet (chord bearing and distance being S 74° 21' 15" E 38.53 feet); thence S 49° 35' 49" E 30.00 feet; thence along the arc of a 46.00 foot radius curve right 144.51 feet (chord bearing and distance being S 40° 24' 11" W 92.00 feet); thence N 49° 35' 49" W 30.00 feet; thence along the arc of a 46.00 foot radius curve right 39.75 feet (chord bearing and distance being N 24° 50' 22" W 38.53 feet); thence along the arc of a 21.00 foot radius curve left 18.15 feet (chord bearing and distance being N 24° 50' 22" W 17.59 feet); thence N 49° 35' 49" W 142.88 feet; thence along the arc of a 77.50 foot radius curve left 19.74 feet (chord bearing and distance being N 56° 54' 37" W 19.69 feet); thence along the arc of a 21.00 foot radius curve left 42.35 feet (chord bearing and distance being S 58° 02' 01" W 35.53 feet); thence S 00° 15' 36" W 11.44 feet; thence along the arc of a 61.50 foot radius curve right 28.91 feet (chord bearing and distance being

S 13° 43' 39" W 28.65 feet); thence S 27° 11' 47" W 56.45 feet; thence along the arc of a 26.00 foot radius curve left 36.96 feet (chord bearing and distance being S 13° 31' 31" E 33.92 feet); thence along the arc of a 419.00 foot radius curve right 199.37 feet (chord bearing and distance being S 40° 36' 51" E 197.50 feet); thence along the arc of a 26.00 foot radius curve left 25.02 feet (chord bearing and distance being S 54° 32' 47" E 24.06 feet); thence along the arc of a 65.00 foot radius curve right 123.96 feet (chord bearing and distance being S 27° 28' 42" E 106.01 feet); thence along the arc of a 47.00 foot radius curve left 22.98 feet (chord bearing and distance being S 13° 08' 46" W 22.75 feet); thence S 00° 40' 38" E 7.49 feet; thence S 43° 18' 20" W 106.59 feet along the northerly line of Bishop Reed Drive to the point of beginning.

AND a parcel of land described as all that part of the Northeast ¼, Section 28, Town 5 South, Range 4 East, beginning 1850.73 feet S 01° 25' 17" E and 1911.97 feet N 88° 34' 43" E from the North ¼ corner of Section 28 aforesaid; thence along the arc of a 577.50 foot radius curve right 46.25 feet (chord bearing and distance being N 71° 55' 03" W 46.24 feet); thence N 20° 22' 38" E 131.75 feet; thence N 65° 58' 16" E 5.88 feet; thence N 68° 26' 05" W 34.55 feet; thence N 08° 10' 13" W 25.59 feet; thence S 63° 43' 06" W 27.37 feet; thence S 36° 35' 03" W 135.94 feet; thence along the arc of a 577.50 foot radius curve right 802.56 feet (chord bearing and distance being N 19° 54' 34" W 739.52 feet); thence N 41° 27' 51" E 50.19 feet; thence along the arc of a 561.00 foot radius curve right 48.31 feet (chord bearing and distance being N 27° 08' 34" E 48.29 feet); thence N 29° 36' 36" E 38.88 feet; thence along the arc of a 21.00 foot radius curve right 25.53 feet (chord bearing and distance being N 64° 25' 58" E 23.98 feet); thence along the arc of a 151.50 foot radius curve left 156.58 feet (chord bearing and distance being N 69° 38' 46" E 149.71 feet); thence along the arc of a 21.00 foot radius curve right 25.53 feet (chord bearing and distance being N 74° 51' 35" E 23.98 feet); thence S 70° 19' 03" E 53.05 feet; thence along the arc of a 21.00 foot radius curve right 30.66 feet (chord bearing and distance being S 28° 29' 11" E 28.01 feet); thence along the arc of a 522.50 foot radius curve left 82.41 feet (chord bearing and distance being S 08° 49' 34" W 82.32 feet); thence S 04° 18' 28" W 140.04 feet; thence along the arc of a 522.50 foot radius curve left 468.30 feet (chord bearing and distance being S 21° 22' 06" E 452.78 feet); thence along the arc of a 177.50 foot radius curve right 162.48 feet (chord bearing and distance being S 20° 49' 12" E 156.87 feet); thence along the arc of a 38.50 foot radius curve right 21.10 feet (chord bearing and distance being S 21° 06' 31" W 20.84 feet); thence S 36° 48' 45" W 30.90 feet; thence along the arc of a 61.50 foot radius curve left 10.32 feet (chord bearing and distance being S 32° 00' 14" W 10.31 feet); thence S 27° 11' 43" W 62.12 feet); thence along the arc of a 21.00 foot radius curve right 30.14 feet (chord bearing and distance being S 68° 18' 27" W 27.62 feet); thence along the arc of a 422.50 foot radius curve left 26.78 feet (chord bearing and distance being N 72° 23' 46" W 26.78 feet); thence N 74° 12' 43" W 24.50 feet to the point of beginning. Containing 6.56 acres.

Containing 21.83 acres within the closed traverse and approximately 1.15 acres between the water's edge and the traverse line for a total of 22.98 acres, more or less. Subject to all easements and restrictions of record, if any.

Park Easement "A"

City Of Tecumseh, Lenawee County, Michigan

All that part of the Northeast ¼, Section 28, Town 5 South, Range 4 East, described as beginning 1907.26 feet S 01° 25' 17" E and 1460.12 feet N 88° 34' 43" E and 509.68 feet S 74° 13' 17" E from the North ¼ corner of Section 28 aforesaid; thence S 74° 13' 17" E 71.37 feet; thence along the arc of a 94.00 foot radius curve left 186.12 feet (chord bearing and distance being S 42° 24' 36" E 157.18 feet); thence along the arc of a 51.00 foot radius curve right 90.61 feet (chord bearing and distance being S 48° 14' 12" E 79.15 feet); thence along the arc of a 1020.27 foot radius curve right 43.28 feet (chord bearing and distance being S 03° 52' 35" W 43.28 feet); thence N 74° 15' 09" W 163.44 feet; thence N 21° 27' 19" W 200.92 feet to the point of beginning, subject to easements and restrictions of record, if any. Containing 0.42 acres.

Park Easement "B"

City Of Tecumseh, Lenawee County, Michigan

All that part of the Northeast ¼, Section 28, Town 5 South, Range 4 East, beginning 2081.72 feet S 01° 25' 17" E and 2054.87 feet N 88° 34' 43" E from the North ¼ corner of Section 28 aforesaid; thence along the arc of a 169.00 foot radius curve left 104.16 feet (chord bearing and distance being N 05° 06' 13" E 102.52 feet); thence along the arc of a 381.00 foot radius curve right 148.43 feet (chord bearing and distance being S 37° 48' 02" E 147.50 feet); thence along the arc of a 11.00 foot radius curve right 13.83 feet (chord bearing and distance being S 09° 23' 24" W 12.94 feet); thence along the arc of a 65.00 foot radius curve left 43.14 feet (chord bearing and distance being S 26° 24' 24" W 42.35 feet); thence along the arc of a 11.00 foot radius curve right 11.85 feet (chord bearing and distance being S 38° 15' 50" W 11.29 feet); thence along the arc of a 56.00 foot radius curve right 130.60 feet (chord bearing and distance being N 44° 03' 10" W 102.95 feet) to the point of beginning. Containing 0.25 acres.

Park Easement "C"

City Of Tecumseh, Lenawee County, Michigan

All that part of the Northeast ¼, Section 28, Town 5 South, Range 4 East, described as beginning 1850.73 feet S 01° 25' 17" E and 1911.97 feet N 88° 34' 43" E and along the arc of a 577.50 foot radius curve right 46.25 feet (chord bearing and distance being N 71° 55' 03" W 46.24 feet); thence along the arc of a 577.50 foot radius curve right 99.80 feet (chord bearing and distance being N 64° 40' 20" W 99.67 feet); thence N 36° 35' 03" E 135.94 feet; thence N 63° 43' 06" E 27.37 feet; thence S 08° 10' 13" E 25.59 feet; thence S 68° 26' 05" E 34.55 feet; thence S 65° 58' 16" W 5.88 feet; thence S 20° 22' 38" W 131.75 feet to the point of beginning. Containing 0.26 acres.

Park Easement "D"

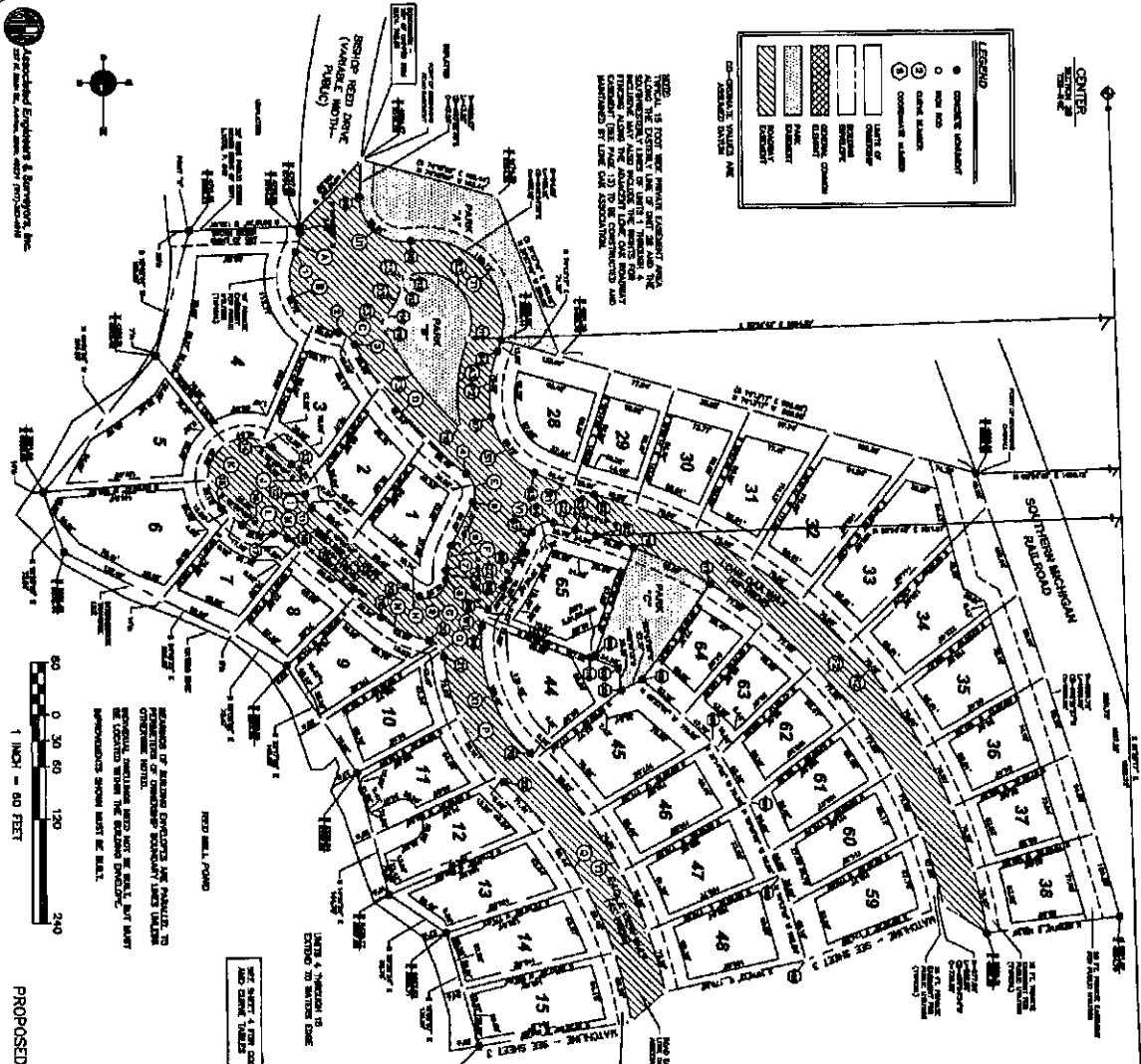
City Of Tecumseh, Lenawee County, Michigan

All that part of the Northeast ¼, Section 28, Town 5 South, Range 4 East, a circular parcel of land with a radius of 106.50 feet and a circumference of 669.16 feet, center point of said radius being 817.64 feet S 01° 25' 17" E and 1672.12 feet N 88° 34' 43" W from the North 1/4 corner of Section 28 aforesaid. Containing 0.82 acres.

Park Easement "E"

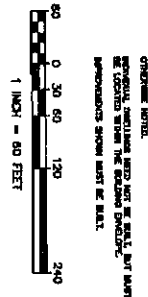
City Of Tecumseh, Lenawee County, Michigan

All that part of the Northeast ¼, Section 28, Town 5 South, Range 4 East, described as beginning 719.50 feet S 01° 25' 17" E and 1787.32 feet N 88° 34' 43" E from the North ¼ corner of Section 28 aforesaid; thence along the arc of a 151.50 foot radius curve left 163.47 feet (chord bearing and distance N 72° 49' 48" W 155.65 feet); thence N 29° 36' 36" E 199.66 feet to a point known hereafter as Point "B"; thence along an intermediate traverse line along the shoreline of Red Mill Pond S 64° 41' 51" E 152.43 feet to a point known hereafter as Point "C"; thence leaving said intermediate traverse line S 29° 36' 36" W 177.58 feet to the point of beginning. Parcel lines to extend from Point "B" N 29° 36' 36" E to the water's edge of Red Mill Pond and also from Point "C" N 29° 36' 36" E to the water's edge of Red Mill Pond. Subject to easements and restrictions of record, if any. Containing 0.61 acres within the closed traverse and approximately 0.09 acres between the water's edge and the traverse line for a total of 0.70 acres more or less.



LEGEND

- Concrete Balustrade
- Roof Top
- ① Common Wall
- ② Unit of Condominium
- ③ Common Element
- ④ Common Area
- ⑤ Common Element
- ⑥ Common Element
- ⑦ Common Element
- ⑧ Common Element
- ⑨ Common Element
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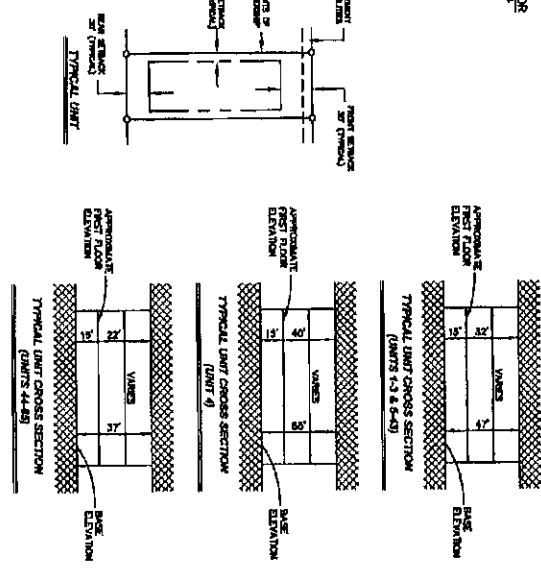
SEE SHEET 4 FOR COMMON AREA ELEVATION AND UNIT DETAILS

SURVEY / SITE PLAN (UNITS 1 - 15, 28 - 38, 44 - 48 AND 59 - 69)
A SITE CONDINIUM
Lone Oak of Red Mill Pond



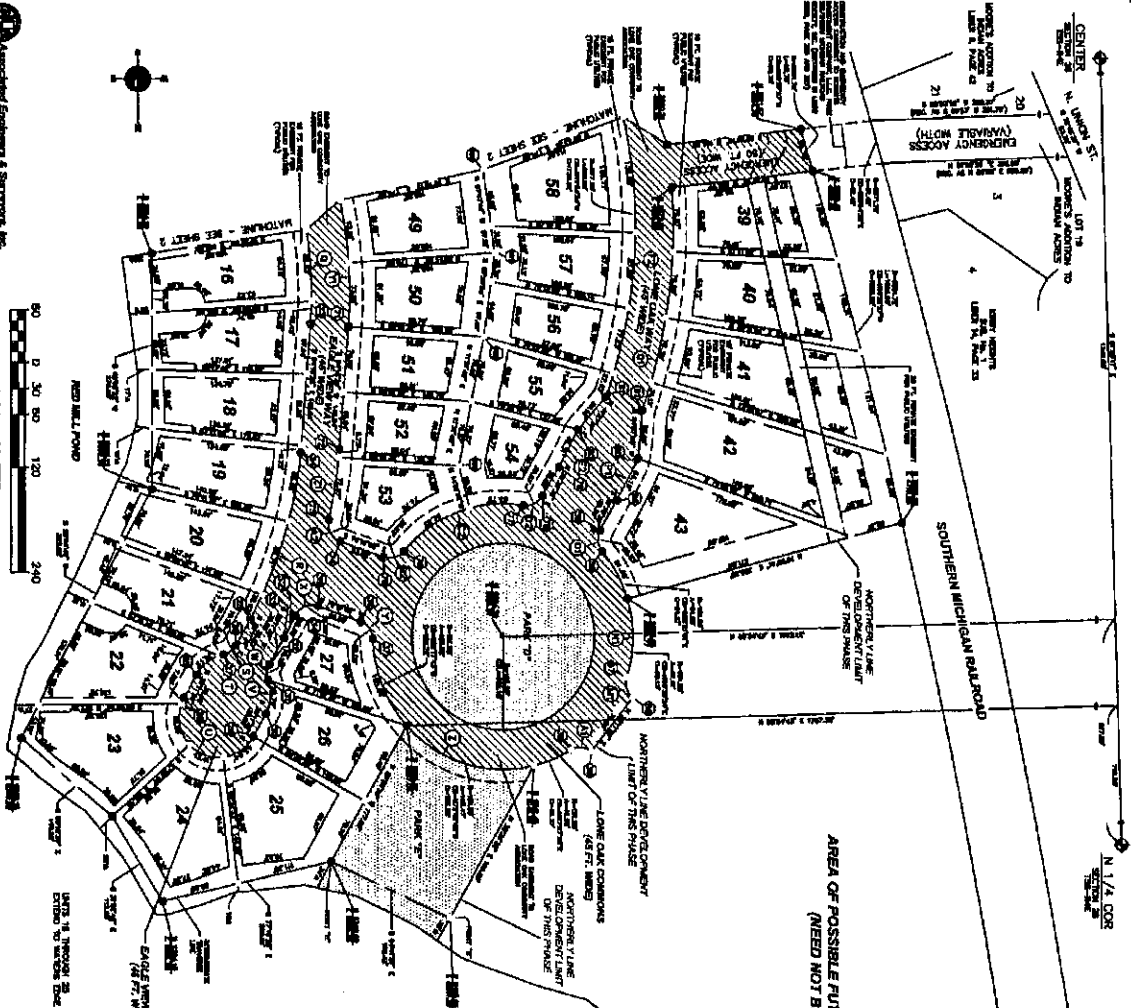
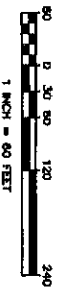
John L. Proctor
 JOHN L. PROCTOR
 PROFESSIONAL SURVEYOR No. 44862
 ASSOCIATED ENGINEERS & SURVEYORS, INC.
 257 N. MAIN ST., AKRON, OHIO 44302

SURVEYOR'S CERTIFICATE
 I, JOHN L. PROCTOR, PROFESSIONAL SURVEYOR OF THE STATE OF OHIO, DO HEREBY CERTIFY THAT THE SUBDIVISION PLAN KNOWN AS LONE OAK COUNTY SUBDIVISION PLAN No. 1722, AS SHOWN ON THE ACCOMPANYING DRAWINGS, REPRESENTS A SURVEY OF THE GROUND UNDER THE JURISDICTION OF THE STATE OF OHIO, UNLESS NOTED OTHERWISE, AND THE SURVEY IS IN ACCORDANCE WITH THE PUBLIC ACTS OF 1978. THAT THE REQUIRED ADJACENTS AND BORN WATERS WILL BE LOCATED IN THE FIELD WITHIN ONE YEAR AFTER THE SURVEY IS COMPLETED, AS REQUIRED BY RULES PROMULGATED UNDER SECTION 142 OF ACT 59 OF THE PUBLIC ACTS OF 1978. THAT THE ACCURACY OF THIS SURVEY IS WITHIN THE LIMITS REQUIRED BY THE RULES PROMULGATED UNDER SECTION 142 OF ACT 59 OF THE PUBLIC ACTS OF 1978.



PROPOSED DATED: DECEMBER 20, 2018

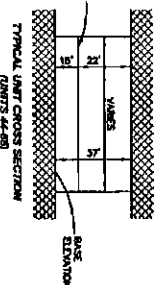
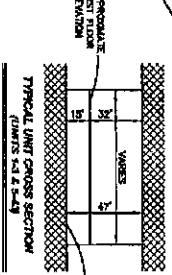
SHEET 2 OF 13 SHEETS



AREA OF POSSIBLE FUTURE ANNEXATION
(NEED NOT BE BUILT)

LEGEND

- CONCRETE FOUNDATION
- NON-BUILD
- CURB, SLOPE
- ① OPERATIVE NUMBER
- ▭ LINE OF BUILDING
- ▭ LINE OF BUILDING
- ▭ SPECIAL CONSTRUCTION
- ▭ FUTURE
- ▭ EXISTING
- ▭ EXISTING



THE SHEET FLOOR CONSTRUCTION SHALL BE SUBJECT TO THE REQUIREMENTS OF THE BUILDING DEPARTMENT AND THE LOCAL HEALTH DEPARTMENT. THE LOCAL HEALTH DEPARTMENT SHALL BE NOTIFIED OF ANY CHANGES TO THE CONSTRUCTION. THE LOCAL HEALTH DEPARTMENT SHALL BE NOTIFIED OF ANY CHANGES TO THE CONSTRUCTION. THE LOCAL HEALTH DEPARTMENT SHALL BE NOTIFIED OF ANY CHANGES TO THE CONSTRUCTION.



KENT L. RICKETFORD
PROFESSIONAL SURVEYOR No. 48884
237 N. MAIN ST., GRAND RAPIDS, MICHIGAN 49503

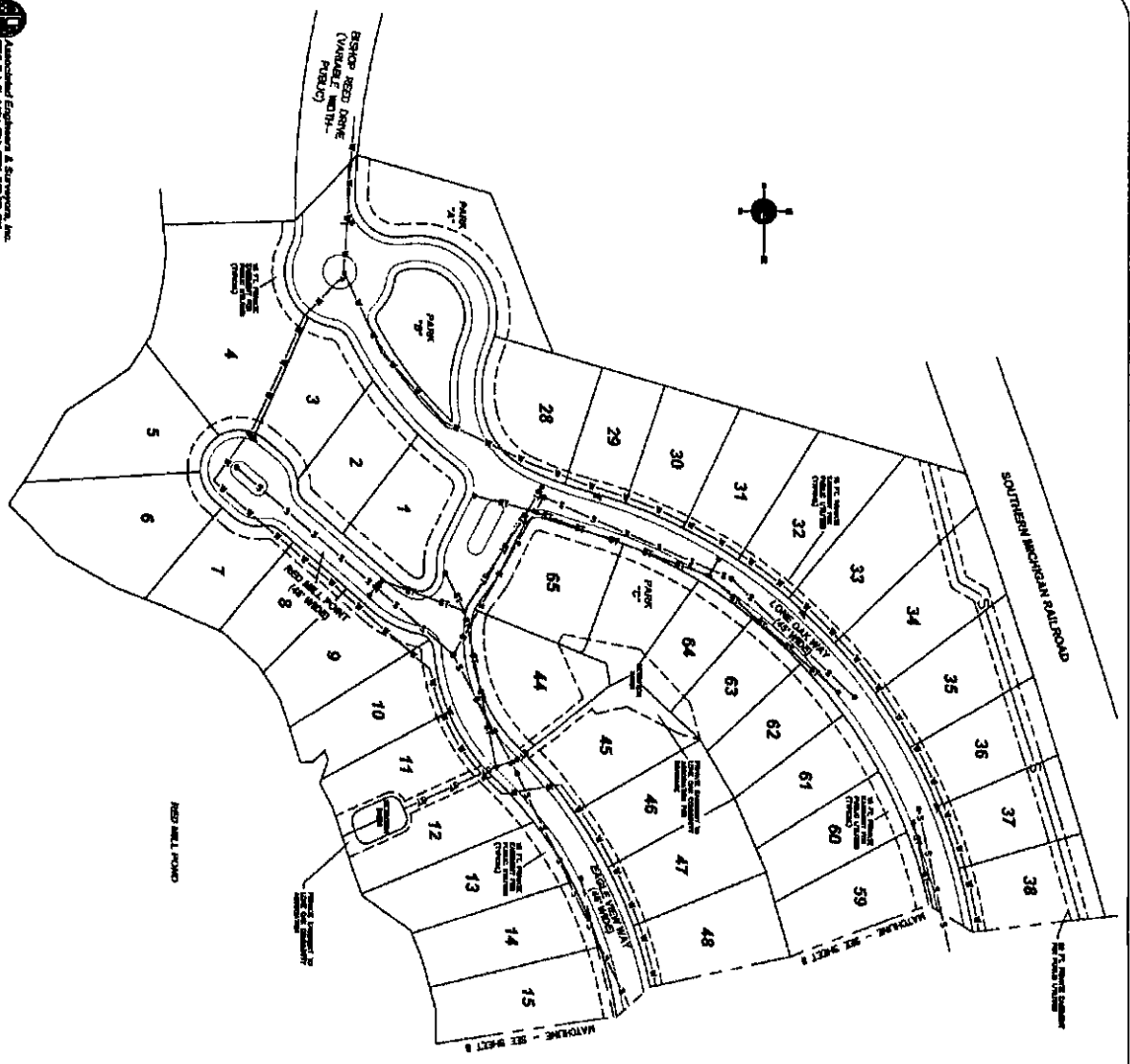
SURVEY / SITE PLAN (UNITS 16 - 27, 39 - 43 AND 49-58)

Lone Oak of Red Mill Pond

A SITE CONDOMINIUM

PROPOSED DATED: DECEMBER 20, 2018

SHEET 3 OF 13 SHEETS



GENERAL NOTES

EACH UNIT WILL BE SERVED WITH WATER AND SEWER BY THE CITY OF TROMBULL.
 EACH UNIT WILL BE SERVICED WITH GAS BY CONSUMERS ENERGY COMPANY.
 EACH UNIT WILL BE SERVICED WITH POWER BY CONSUMERS ENERGY COMPANY.
 GAS, ELECTRIC AND TELEPHONE LINES ARE TO BE LOCATED IN PROPOSED PUBLIC UTILITY EASEMENTS SHOWN ON SHEETS 2 AND 3 AND WILL BE SHOWN ON AS-BUILT DRAWINGS.
 UTILITIES SHOWN ON SHEETS 5 AND 6 MUST BE BUILT.

LEGEND	
—	WATER
—	SEWER
—	GAS
—	TELEPHONE
—	WATER MAIN
—	SEWER MAIN
—	WALK
—	DRIVE
—	STONE BOUND



Robert L. Porter
 ROBERT L. PORTER, SUPERVISOR No. 46662
 ASSOCIATED ENGINEERS & SURVEYORS, INC.
 237 N. MAIN ST., AUBURN, MICHIGAN 49801

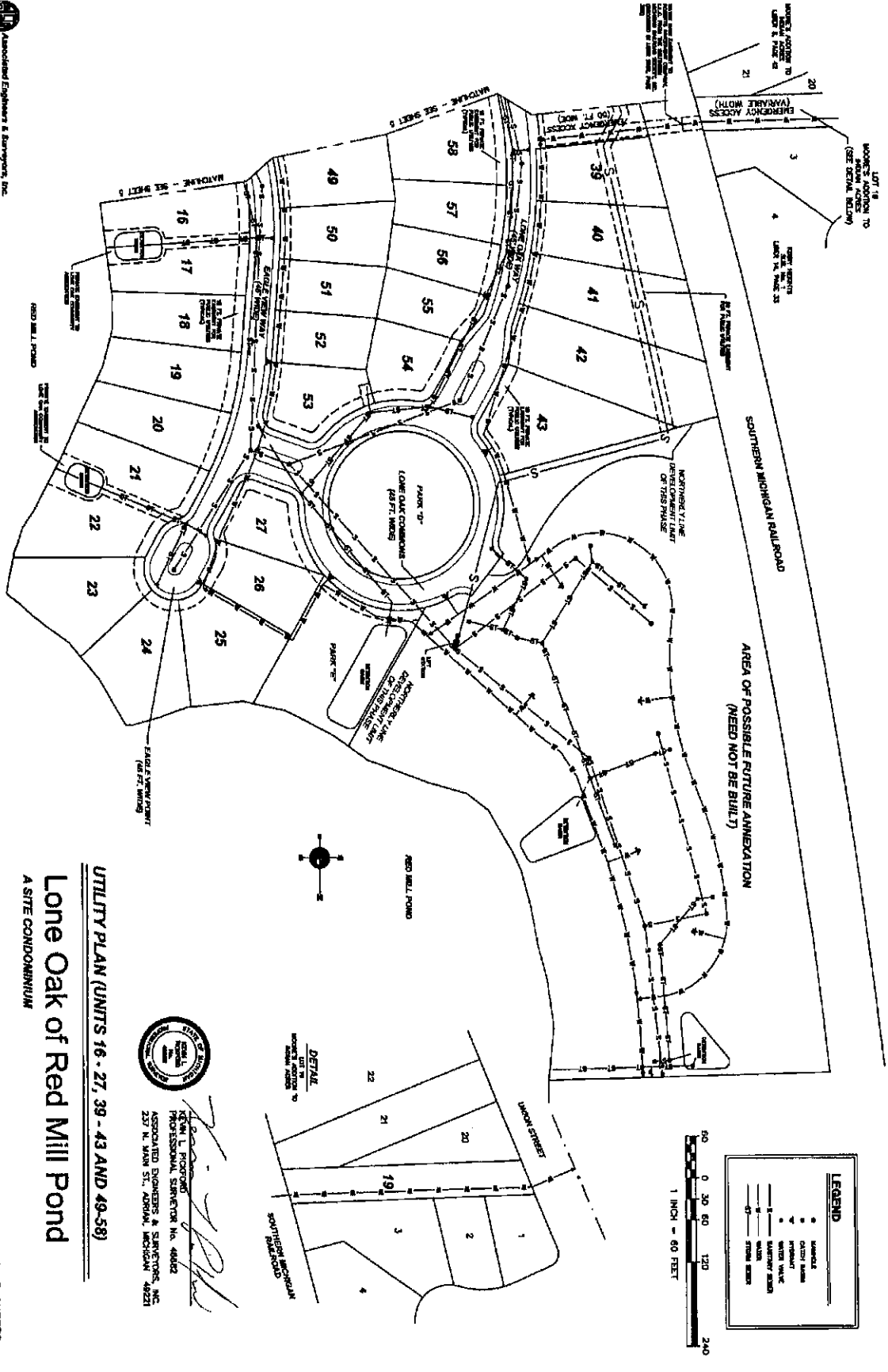
UTILITY PLAN (UNITS 1 - 15, 28 - 36, 44 - 48 AND 59 - 65)

Lone Oak of Red Mill Pond

A SITE CONDOMINIUM

PROPOSED DATED: DECEMBER 20, 2018

SHEET 5 OF 13 SHEETS



UTILITY PLAN (UNITS 16 - 27, 39 - 43 AND 49-58)

Lone Oak of Red Mill Pond

A SITE CONDOMINIUM



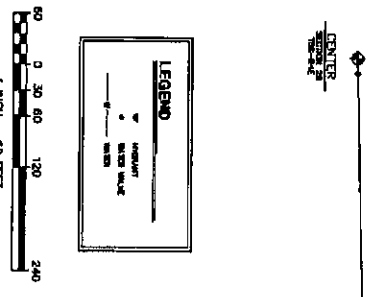
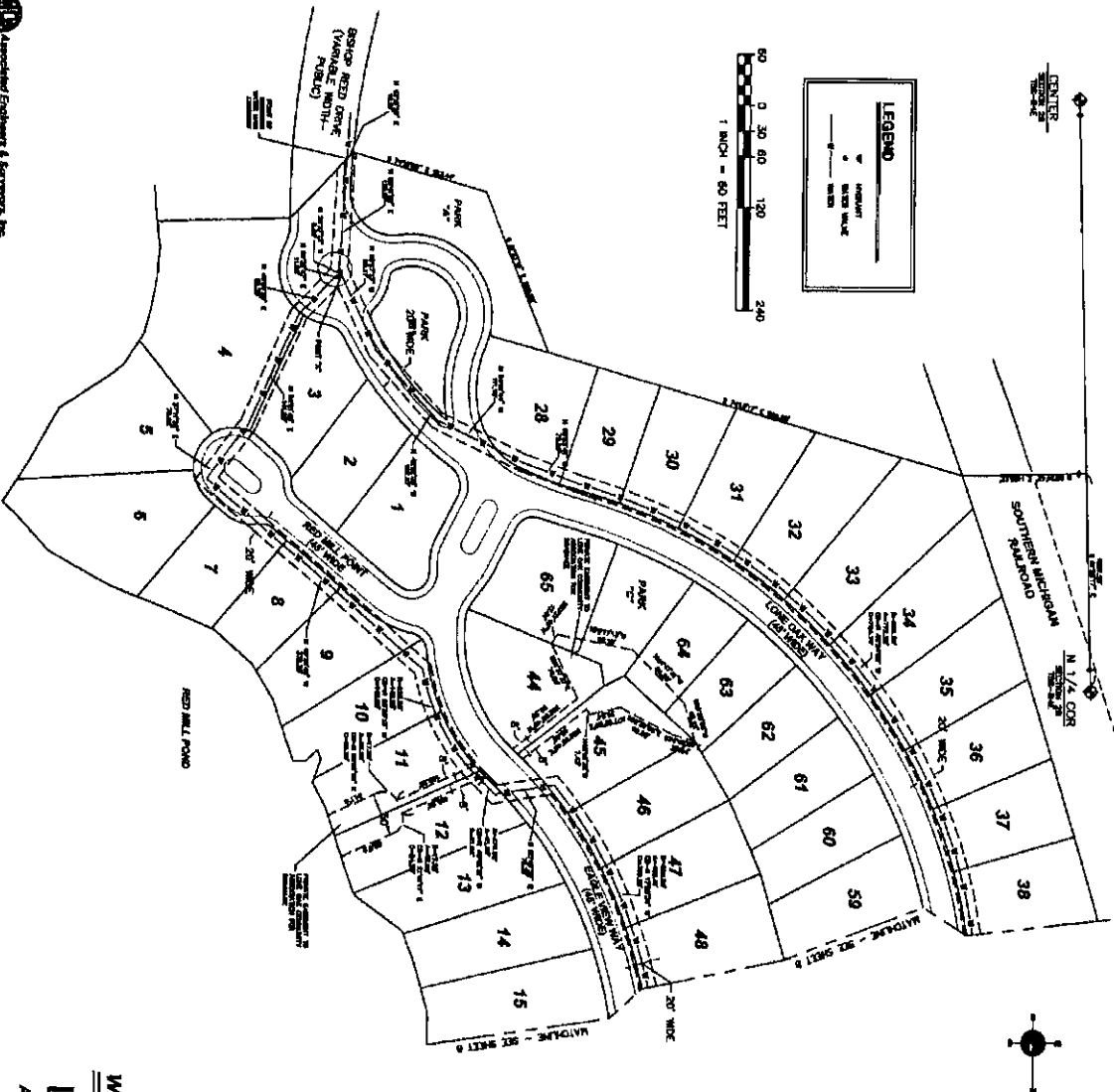
KEVIN L. PICKETT
 PROFESSIONAL SURVEYOR No. 46042
 ASSOCIATED ENGINEERS & SURVEYORS, INC.
 227 N. MAIN ST., AUBURN, MICHIGAN 49821

[Signature]

PROPOSED DATED: DECEMBER 20, 2018

SHEET 6 OF 13 SHEETS

Standard Engineers & Surveyors, Inc.
 1725 North 18th Street, Suite 100
 Phoenix, Arizona 85016-6412
 Phone: (602) 998-0001
 Fax: (602) 998-0002



WATER MAIN AND DRAIN EASEMENTS

Lone Oak of Red Mill Pond
 A SITE COMDOMINIUM

PROPOSED DATED: DECEMBER 20, 2018

SHEET 7 OF 13 SHEETS

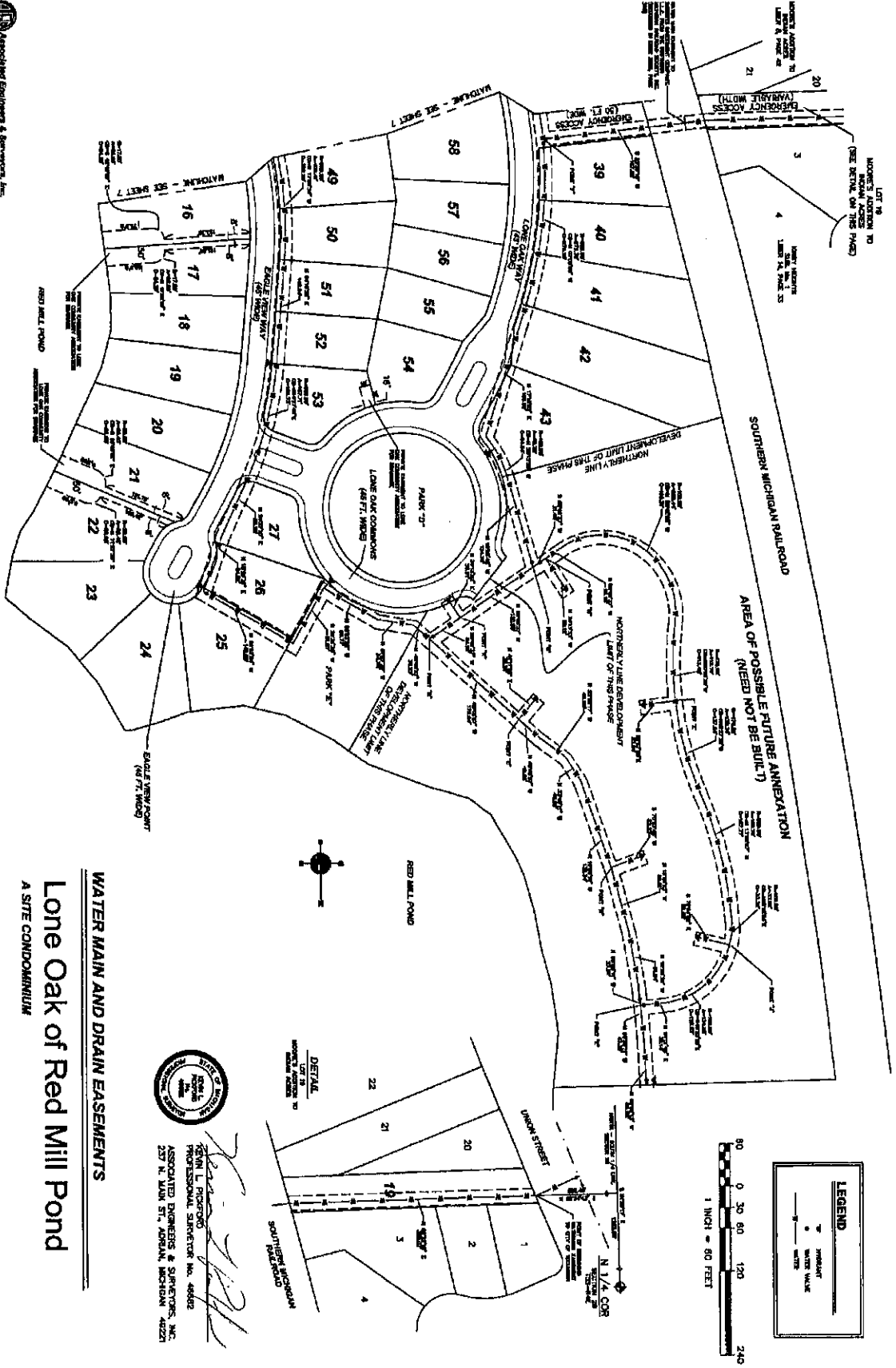


ASSOCIATED ENGINEERS & SURVEYORS, INC.
 257 N. 34th St., Phoenix, Arizona 85018

Water Main Easement:
 The water main easement for the development and maintenance of a water main system for the development is shown on the plan. The easement is 20 feet wide and is shown along the center of the street. The easement is shown along the center of the street, and the easement is shown along the center of the street.

Drain Easement:
 The drain easement for the development and maintenance of a drain system for the development is shown on the plan. The easement is 20 feet wide and is shown along the center of the street. The easement is shown along the center of the street, and the easement is shown along the center of the street.

Notes:
 1. All dimensions are in feet and inches. All bearings are true bearings.
 2. All bearings are to the right of the fore-sight line.
 3. All distances are in feet and inches.
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 63. All distances are in feet and inches.
 64. All bearings are to the right of the fore-sight line.
 65. All distances are in feet and inches.



Kevin L. Picot
 KEVIN L. PICOT
 PROFESSIONAL SURVEYOR NO. 4662
 ASSOCIATED ENGINEERS & SURVEYORS, INC.
 227 N. MAIN ST., AUBURN, MAINE 04221

DETAIL
 LOT 8
 WATER MAIN AND DRAIN EASEMENTS

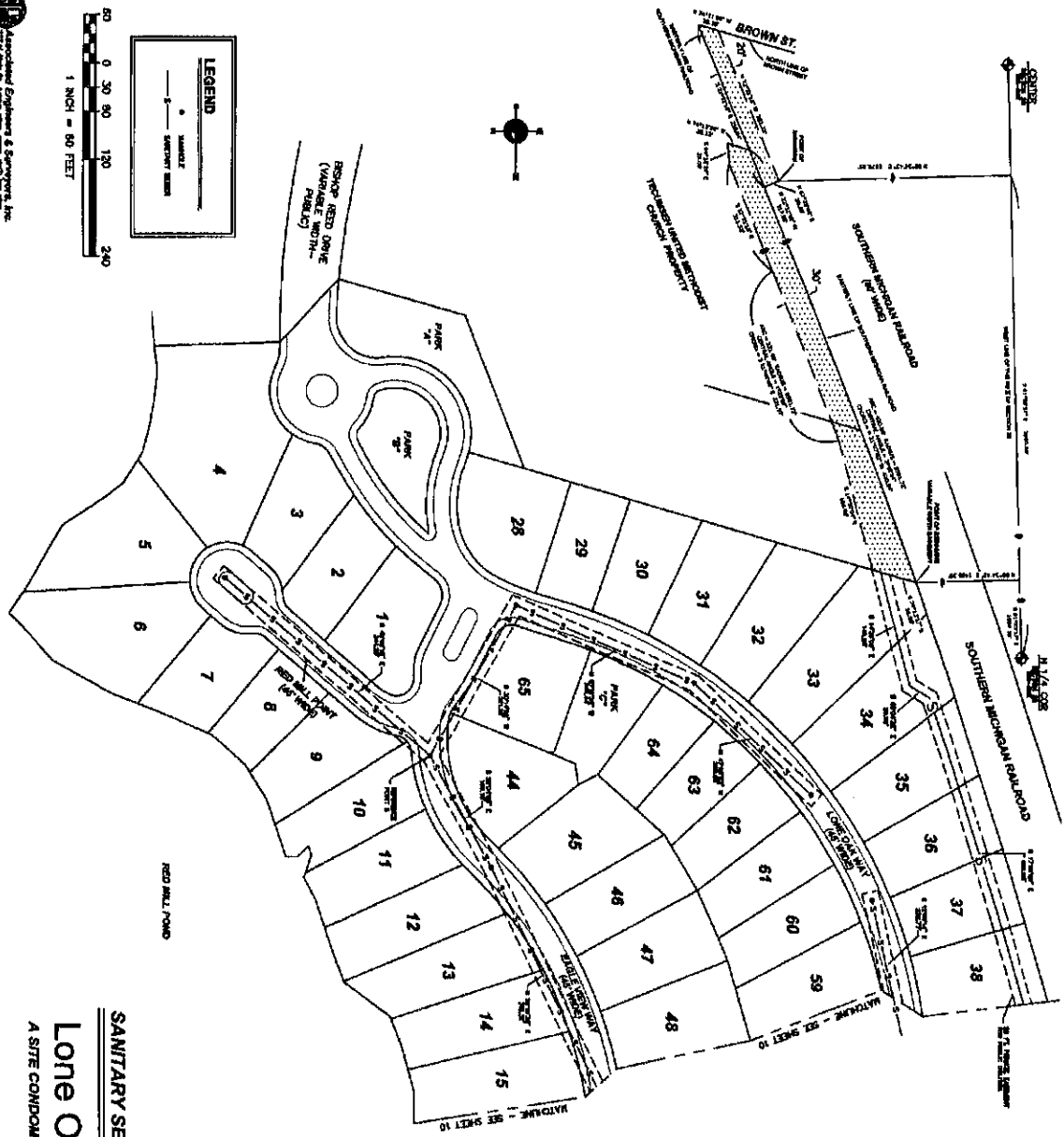
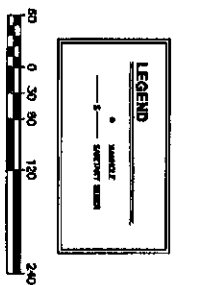
WATER MAIN AND DRAIN EASEMENTS

Lone Oak of Red Mill Pond

A SITE CONDOMINIUM

PROPOSED DATED: DECEMBER 20, 2018

SHEET 8 OF 13 SHEETS



SANITARY SEWER EASEMENT

Lone Oak of Red Mill Pond

A SITE CONDOMINIUM

PROPOSED DATED: DECEMBER 20, 2018

SHEET 9 OF 13 SHEETS



Kevin L. Proctor
 KEVIN L. PROCTOR
 PROFESSIONAL SURVEYOR No. 46482
 ASSOCIATED ENGINEERS & SURVEYORS, INC.
 237 N. MAIN ST., AUBURN, MAINE 04221

Sanitary Sewer Easement by
 City of Scarborough, Lawrence County, Michigan

A 20 foot wide easement for the installation and maintenance of a sanitary sewer system part of the Subdivision is shown. The easement is located in a portion of the City of Scarborough, Lawrence County, Michigan, as shown on the map. The easement is shown as a dashed line with arrows indicating the direction of flow. The easement is shown as a dashed line with arrows indicating the direction of flow.

ALSO: Beginning of said Point 71, thence S 14° 24' 24" W 242.20 feet, thence S 7° 02' 41" W 204.65 feet, thence S 57° 02' 02" W 143.55 feet, thence S 7° 22' 52" W 143.55 feet, thence S 17° 22' 52" W 143.55 feet, thence S 17° 22' 52" W 143.55 feet, thence S 14° 30' 07" E 142.94 to the point of ending (station of easement to which is adjacent to various other property lots of present owners).

ALSO: Beginning of said Point 72, thence S 14° 24' 24" W 242.20 feet, thence S 7° 02' 41" W 204.65 feet, thence S 57° 02' 02" W 143.55 feet, thence S 7° 22' 52" W 143.55 feet, thence S 17° 22' 52" W 143.55 feet, thence S 17° 22' 52" W 143.55 feet, thence S 14° 30' 07" E 142.94 to the point of ending.

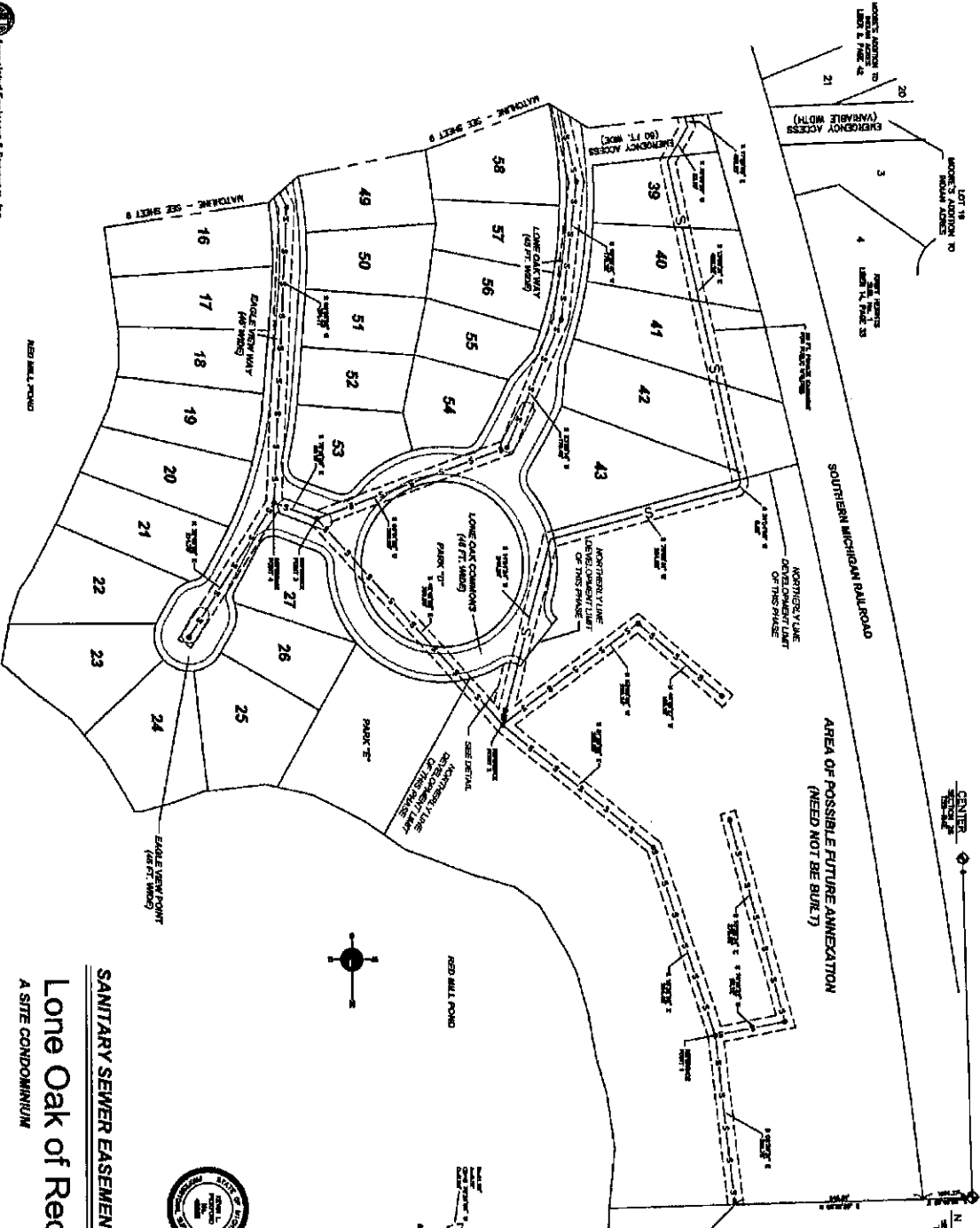
ALSO: Beginning of said Point 73, thence S 02° 42' 02" W 208.60 feet, thence S 23° 22' 14" W 178.40 feet, thence S 02° 22' 41" W 178.40 feet, thence S 12° 42' 14" E 228.17 feet and then ending.

ALSO: Beginning of said Point 74, thence N 32° 42' 02" E 214.70 feet and then ending.

ALSO: Beginning of said Point 75, thence S 02° 14' 02" W 211.12 feet, thence N 07° 11' 32" W 242.64 feet, thence N 47° 02' 53" W 208.60 feet and then ending.

ALSO: A verbal plat agreement for the installation and maintenance of a sanitary sewer system is shown. The easement is located in a portion of the City of Scarborough, Lawrence County, Michigan, as shown on the map. The easement is shown as a dashed line with arrows indicating the direction of flow. The easement is shown as a dashed line with arrows indicating the direction of flow.

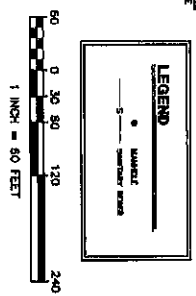
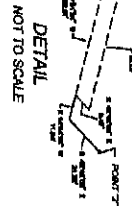
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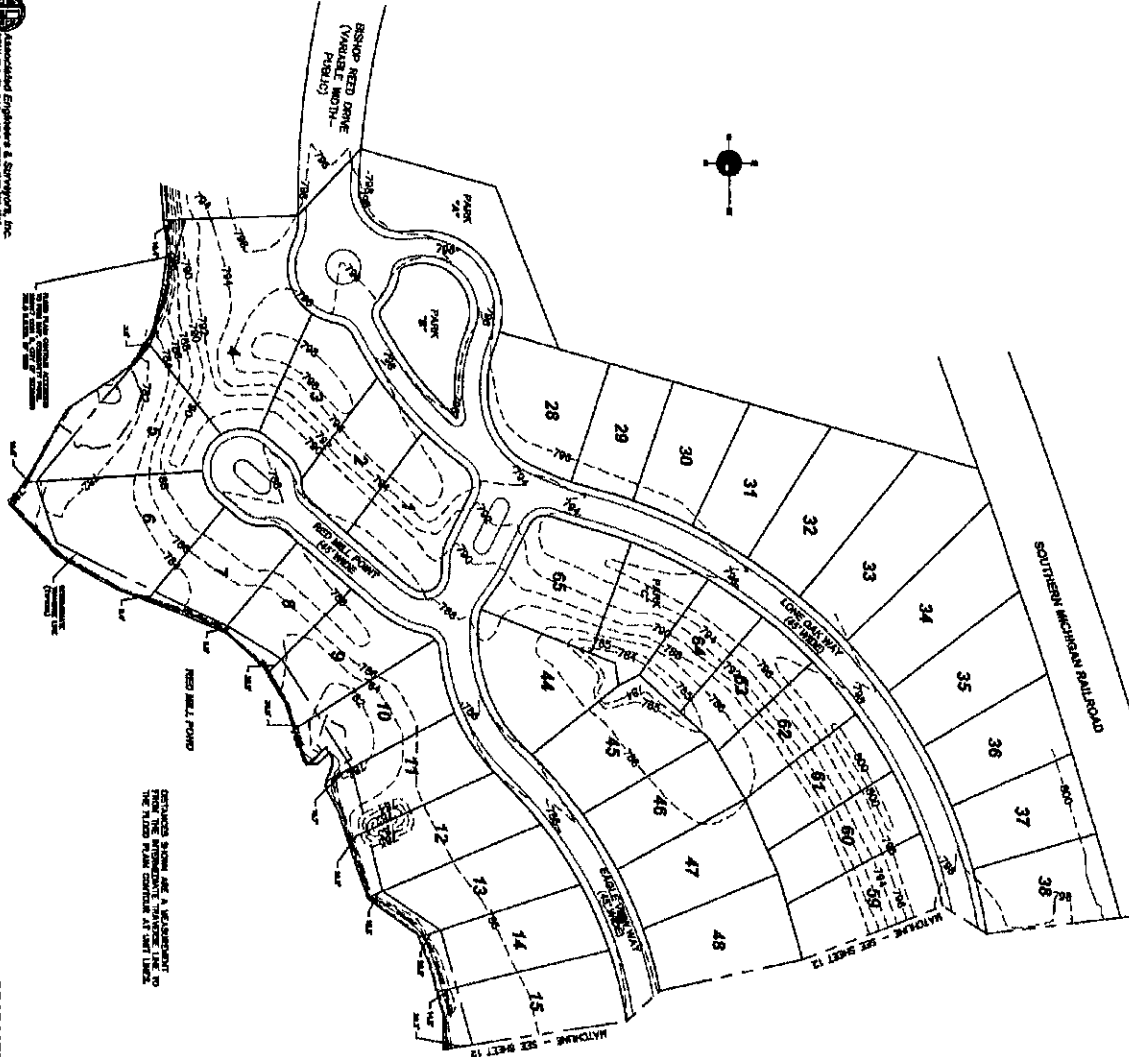


SANITARY SEWER EASEMENT
Lone Oak of Red Mill Pond
 A SITE CONDOMINIUM



KEVIN L. PROFFORD
 PROFESSIONAL ENGINEER No. 41652
 ASSOCIATED ENGINEERS & SURVEYORS, INC.
 237 N. MAIN ST., ALPENA, MICHIGAN 49707





FLOODPLAIN PLAN

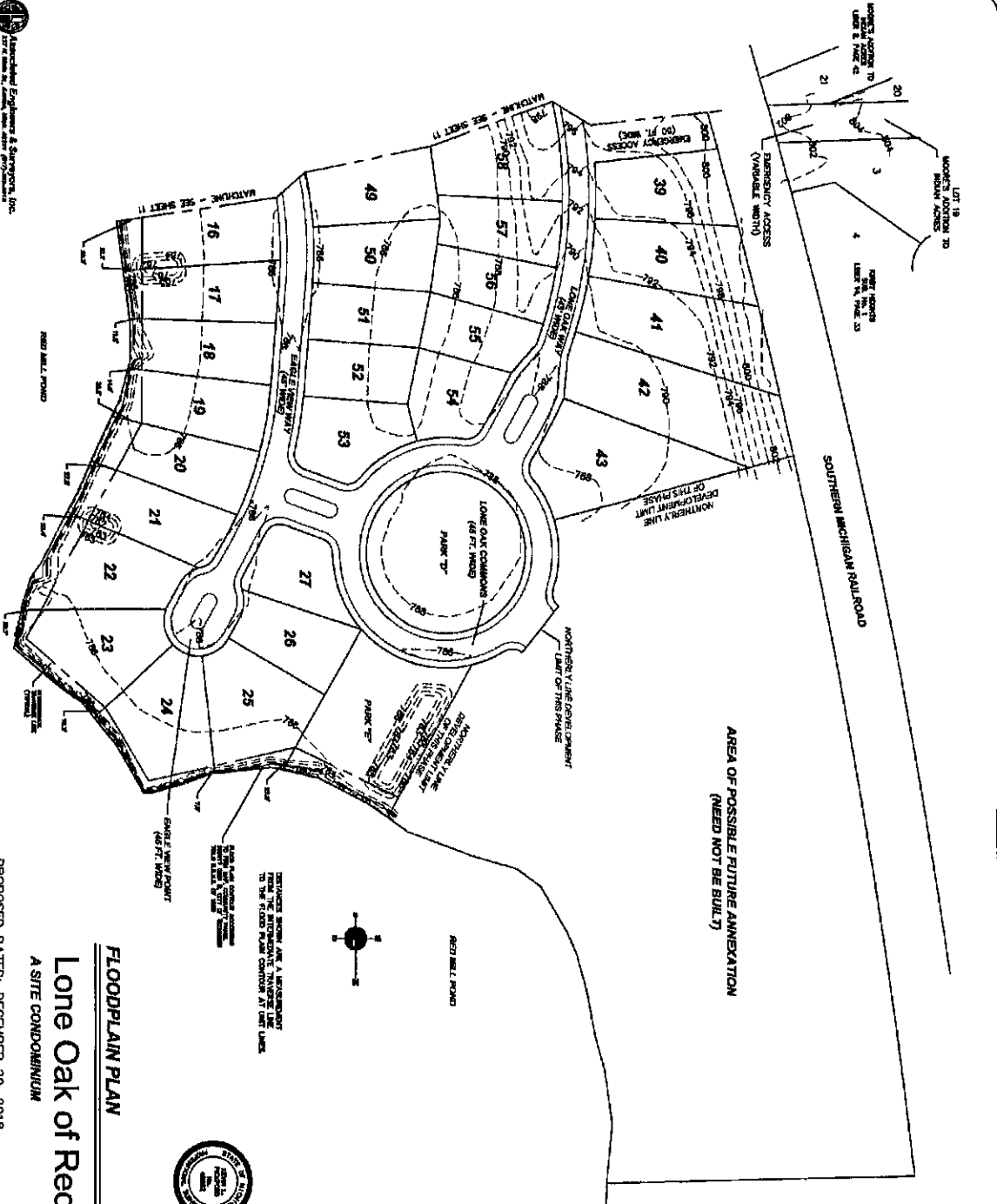
Lone Oak of Red Mill Pond
 A SITE CONDOMINIUM

PROPOSED DATED: DECEMBER 20, 2018

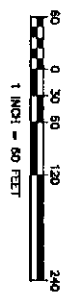
SHEET 11 OF 13 SHEETS



[Signature]
 PROFESSIONAL SURVEYOR No. 44663
 ASSOCIATED ENGINEERS & SURVEYORS, INC.
 237 N. MAIN ST., ASHWA, MICHIGAN 49801



AREA OF POSSIBLE FUTURE ANNEXATION
 (NEED NOT BE BUILT)



FLOODPLAIN PLAN

Lone Oak of Red Mill Pond

A SITE CONDOMINIUM

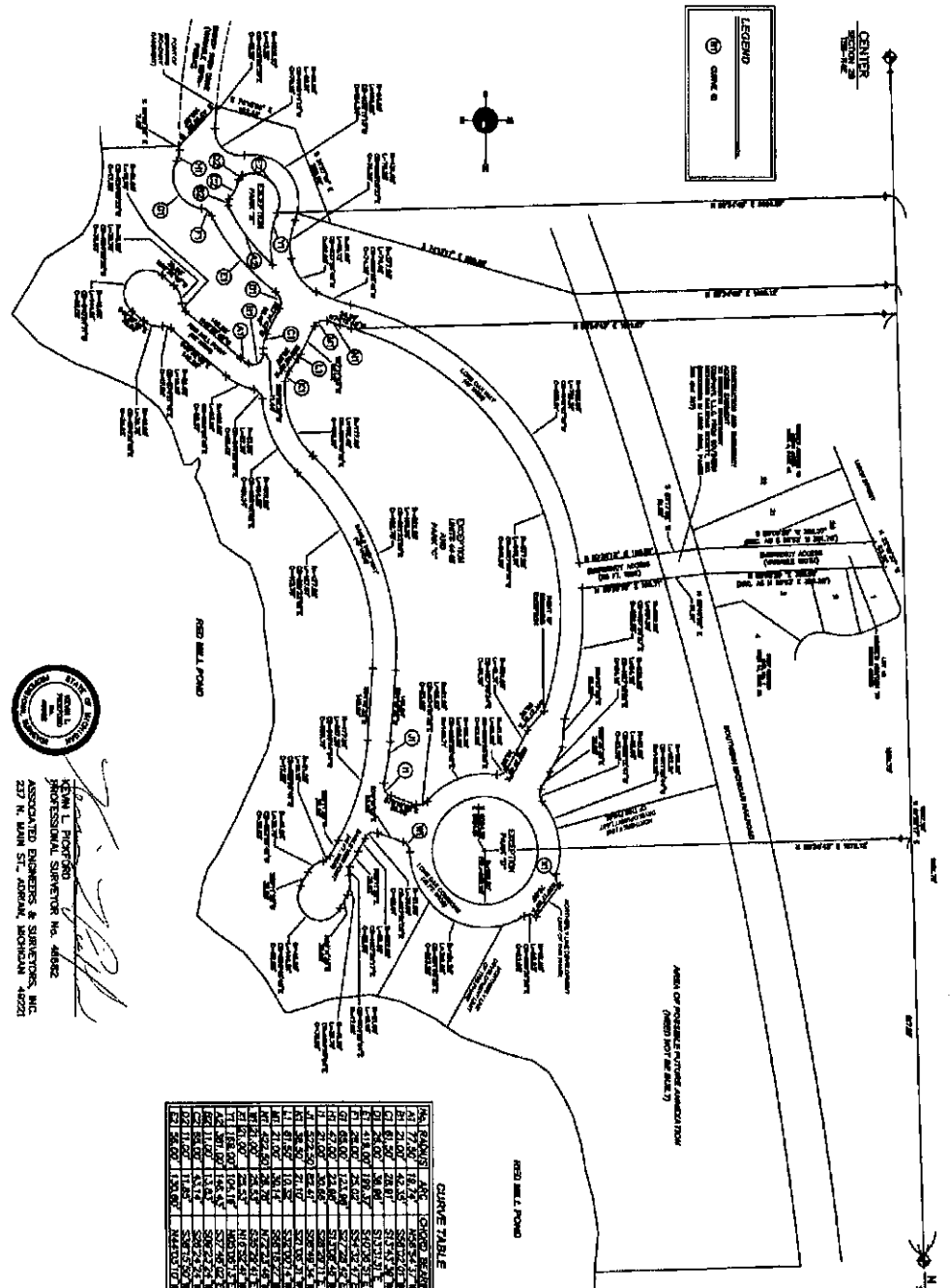


[Signature]
 JOHN W. BROWN, P.E., S.
 PROFESSIONAL SURVEYOR No. 48842
 ASSOCIATED ENGINEERS & SURVEYORS, INC.
 227 N. MAIN ST., AKRON, OHIO 44302-3000

PROPOSED DATE: DECEMBER 20, 2018

SHEET 12 OF 13 SHEETS

THIS PLAN IS THE PROPERTY OF ASSOCIATED ENGINEERS & SURVEYORS, INC. AND IS LOANED TO YOU FOR YOUR CONVENIENCE. IT IS NOT TO BE REPRODUCED, COPIED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF ASSOCIATED ENGINEERS & SURVEYORS, INC. ANY UNAUTHORIZED REPRODUCTION OR TRANSMISSION IS STRICTLY PROHIBITED AND WILL BE SUBJECT TO LEGAL ACTION.



[Signature]
 JOHN T. HARRIS
 PROFESSIONAL SURVEYOR No. 44862
 ASSOCIATED ENGINEERS & SURVEYORS, INC.
 227 N. MAIN ST., ANNAPOLIS, MARYLAND 21401

ROADWAY EASEMENT

Lone Oak of Red Mill Pond
 A SITE CONDOMINIUM

PROPOSED DATED: DECEMBER 20, 2018

SHEET 13 OF 13 SHEETS

CHANGE TABLE

NO.	DATE	DESCRIPTION	BY
1	12/20/18	ISSUED FOR PERMIT	JTH
2	12/20/18	REVISIONS TO PERMIT	JTH
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**FIRST AMENDMENT TO THE MASTER DEED OF
~~LOAN~~ OAK OF RED MILL POND CONDOMINIUM**

~~LONE~~ Lone

The Original Master Deed of ~~Loan~~ Lone Oak of Red Mill Pond Condominium (Lenawee County Condominium Subdivision Plan No. 72), signed on February 4, 2018, and recorded on February 6, 2019, in Liber 2574, Page 485, of Lenawee County Records ("Original Master Deed") is hereby amended pursuant to the authority reserved in Section 14 of the Master Deed, and provisions of Michigan Compiled Laws Section 559.190, as provided in this First Amendment to Master Deed ("First Amendment"). This First Amendment does not require consent of the Co-Owners or Mortgagees under the above-cited provisions.

Upon recording of this First Amendment in the office of the Lenawee County Register of Deeds, the Master Deed shall be amended in the following manner:

MASTER DEED

1. Exhibit B to the Master Deed entitled "Condominium Subdivision Plan" is hereby amended and replaced by the new Exhibit B attached hereto. The amendments to Exhibit B are described below:
 - a. Providing a 25-foot-wide utility easement along Lone Oak Way (see pages 2,3,5 and 6)
 - b. Providing an easement for a storm sewer drain between Units 31 and 32 (see pages 5 and 7)
 - c. Updating Typical Unit Cross Sections to show utility easements and Condominium Unit envelopes (see pages 2 and 3).

2. A new Exhibit G to the Master Deed entitled "Affidavit of Mailing as to Notices required by Section 71 of the Michigan Condominium Act" as to this First Amendment is added to the Master Deed.

3. Article V of the Master Deed is hereby amended by Section 5, as set forth below:

**ARTICLE V
UNIT DESCRIPTION AND PERCENTAGE OF VALUE**

Article V, Sections 1 through 4 are not changed by this Amendment. This Amendment adds Sections 5 and 6 to Article V, as follows:

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5. Owners of adjacent Units may relocate the boundary lines of their respective Units in accordance with Section 48 of the Act, subject to the approval of the Developer (or the Association once the Developer has sold all Units) and the City of Tecumseh. The Association shall be responsible for the preparation and recording of any necessary amendment to the Master Deed and the Owner making any such change shall reimburse the Association for all expenses it incurs.

6. Owners of Units may subdivide their Units in accordance with Section 49 of the Act, subject to the approval of the Developer (or the Association once the Developer has sold all Units) and the City of Tecumseh. The Association shall be responsible for the preparation and recording of any necessary amendment to the Master Deed and the Owner(s) making any such change shall reimburse the Association for all expenses it incurs.

BY LAWS

The Lone Oak of Red Mill Pond Condominium Association By-Laws that were recorded as Exhibit A to the Master Deed are hereby amended as follows:

- A. By Laws Article II, Section 2.b is deleted.
- B. By Laws Article VI, Sections 1 and 2 are deleted and are replaced with the following:

Section 1: Residential Use

No Unit in the Project shall be used for anything other than single family residential purposes as defined by the City of Tecumseh Zoning ordinance, and the common elements shall be used only for purposes consistent with single family residential use.

The operation of a family or group day care within the Project is prohibited and no businesses may be operated on a unit that use outside employees or have customers come to the premises, without the prior written approval of the Developer or Association. (as is applicable) Developers and multi-unit Owners use of structures for models and/or office use is approved.

Use of Units shall also be restricted in the following manner:

- a. **Building Size, Height and Roof Pitch:** No building or structure shall exceed two (2) stories above grade or thirty-five (35) feet in height and all buildings and structures shall be construed within the perimeter of the Unit. All buildings and structures shall be in conformity with the following minimum size standards as to living area above ground level measured by the external walls:

**UNITS LOCATED ON EAGLE VIEW WAY, EAGLE VIEW POINTE,
AND RED MILL POINT**

- A. Single story minimum 1700 square feet; minimum 8/12 pitched roof.
- B. 1 1/2 or 2 story minimum 1700 square feet; minimum 6/12 pitched roof.

UNITS LOCATED ON LONE OAK WAY

- A. Single story minimum 1500 square feet; minimum 6/12 pitched roof.
- B. 1 1/2 or 2 story minimum 1700 square feet; minimum 6/12 pitched roof.

The Developer/Association reserves the right, within its sole discretion, to lower the required minimum square footage for specific dwellings and grant variances as seem appropriate. Garages, porches, and breezeways shall not be included in the computing minimum size requirements.

All buildings shall be constructed by a licensed contractor and completed within (1) one year from the date of issuance of a building permit by the Tecumseh City Building Department.

All unused building materials and temporary construction shall be removed from the premises within thirty (30) days after substantial completion of the structure.

1. No burial of construction debris will be permitted.
2. All soil to be removed from any of the units either in grading or excavating will, at the option of the developer, become the property of the developer, and when removed will be placed by the Owner of the unit in such a place or places within the Project as the Developer will designate at the Owner's expense.
3. Prior to excavation, driveway curbs shall be cut in and gravel base installed to decrease mud throughout the subdivision during the building process.
4. Owners may not interrupt the surface flow of storm water across their units
 - b. **Garages & Driveways:** Each Single-family dwelling shall have a minimum of a two (2) car attached garage. Carports shall not be erected, placed or permitted to remain on any unit. All driveways shall be surfaced with concrete or paving bricks at the time of construction of the dwelling served thereby, weather permitting.
 - c. **Sidewalks:** 6-foot sidewalks shall be installed 4 inches thick along the front property line and shall be integrated to the curb.
 - d. **Temporary Structures:** No old or used structure, of any kind, shall be placed on any unit. No temporary structure of any character such as tent, camper, mobile home, trailer,

shack, barn and or other out-building of any design whatsoever shall be erected or placed upon any unit. This provision shall not prevent the use of various trade work trailers and tool sheds incidental to the building process, so long as they are not used for living quarters during construction.

- e. **Accessory Buildings:** No accessory building or other out-building shall be permitted on any unit unless it is approved by the Developer, or the Association, as hereinafter provided in Section 3. The Developer, or the Association, in the exercise of its sole discretion, may permit the erection of structures such as swimming pool accessory buildings, greenhouses or lawn/garden storage sheds. Notwithstanding the Developer or Association's approval, such structures shall be architecturally compatible with the main dwelling, be constructed of similar material and on a concrete slab with a rat wall. Buildings may not be constructed without the advance written approval of the Developer, or the Association, if applicable. No oil or fuel storage tanks may be installed on any unit.
- f. **Swimming Pools:** All swimming pools shall be below ground, except children's play pools, hot tubs and whirlpool tubs.
- g. **Fences:** No Owner shall construct, or cause to be constructed, any fence of any nature upon his unit or the common elements without the prior written approval of the Developer, or the Association, if applicable.

Perimeter fences around swimming pools shall be required to be constructed in accordance with all applicable building codes.

Developer/Association, when applicable would approve screened patios and the like. Specific enclosed child play areas and fenced dog runs may not be constructed. Invisible fences are encouraged for pet control.

- h. **Exterior Lighting:** No Owner shall install exterior lighting that causes excessive illumination so as to constitute a nuisance to other Owners. All exterior lighting shall be mounted on the dwellings, except for low wattage lighting adjacent to driveways, decks, patios, walkways, and swimming pools.
- i. **Mailboxes:** No Mailboxes or paper delivery boxes will be mounted at curbside. Mailboxes are installed within the "mail house."
- j. **Antenna:** No radio, television or other antenna or aerial shall be permitted on any unit other than the type commonly used for domestic residential purposes. Any antenna or aerial shall be installed on the main dwelling and not on a separate pole or tower. Dish-type antennas shall not be permitted without the approval of the Association or the Developer.

- k. **Maintenance of Unimproved Units:** Units which have not been improved shall remain in their natural state but shall be maintained in a presentable condition by the Owner or developer if not sold.

Grassy areas shall be mowed a minimum of twice each summer to control weeds. No dumping of grass or other refuse shall be allowed on unimproved units. The Developer/ Association shall enforce this paragraph pursuant to Article XIX, below.

- l. **Refuse and Garbage:** Each Owner shall promptly dispose of all refuse and garbage so that it will not be objectionable or visible to adjacent Owners. No front or side viewed outside storage of refuse or garbage, or outside incinerator shall be permitted. No disposal of garbage, rubbish, leaves, or debris shall be allowed on vacant units. Garden composting shall be allowed if it shall not result in a violation of any other restriction in these bylaws.

The City of Tecumseh offers garbage pickup at no additional cost.

- m. **Trees:** In the absence of an existing adequate number of deciduous trees, the initial Owner of each Unit who shall construct a dwelling thereon shall provide a minimum of two (2) trees with a minimum of two (2) inches and no less than five (5) feet of height. The Owner may determine the location of such trees, taking into consideration the variables of each dwelling/driveway, and the integrated curb sidewalks. Trees along Lone Oak Way may be planted within the utility easement, taking into consideration the location of underground utilities. The list of allowable trees is as follows: Oak, Hard Maple, Linden, Locust, Hackberry, or Sycamore, Pear or from a list of similar trees approved by the Developer or Association. (as applicable at that time)

Section 2. Architectural Control, Landscaping and Gardening

The Developer (or Association Board when applicable) reserves the right, within its sole discretion, to approve building plans based on builder supplied drawings, aesthetic elevations, and square footage for specific dwellings in any location within the development.

Construction of any dwelling or other improvements must also receive any necessary approval from the local authority (City of Tecumseh).

- A. No log, modular, manufactured or any type of residential housing constructed off-site will be permitted. However, studded, (non-drywalled) wall sections can be built off site and assembled on slab or basement foundations. No flat roofs will be permitted, and a minimum pitch of 6/12 will be required on the main gables with a minimum (1) one foot overhang.
- B. Exterior materials will not include textured plywood siding (Including T1-11) nor will it include aluminum siding.
- C. Developer/Association approved vinyl siding may be installed so long as front accent stone and brick, or stone/brick veneer are used as specified in this section.

- D. 2 story runs of vinyl lap siding shall utilize freeze board dividers or other means to interrupt two story runs. (excepting homes along Lone Oak Way)
- E. Shake and-or vertical board/batten type vinyl can be used on front façade in place of Brick or stone accents.
- F. If lap siding is used in the front elevation, the dwelling will utilize stone, brick, or the veneer versions to accent the home. An approximate ratio would be 25 to 30% to the square footage of siding.
- G. Roofing materials will be approved by developer/Association as applicable.
- H. The overhangs must have a minimum of (1) one foot protrusion on all gables.
- I. Solar Panels will not be allowed unless they are an integral part of the shingling system.
- J. Gardening and composting shall be allowed if it shall not result in a violation of any other restriction in these bylaws.

The Developer's rights under this article VI Section 2 may in the Developer's discretion be assigned to the Association or other successor to the Developer. Said rights shall be assigned to the association at the end of the construction and sales period.

The Developer may construct any improvements upon the project that it may, in its sole discretion, elect to make without the necessity or prior consent from the Association, or any other person or entity, subject only to express limitations contained in the project documents, and any limitations imposed by the city of Tecumseh.

In no event shall any unit Owner have the right to impose liability on the developer or the association, or otherwise contest judicially any decision of the Developer or Association (or alleged failure of the Developer or Association to make a decision) relative to the approval or disapproval of a site plan and building plans, or any aspect or other matter as to which the Developer reserves the right to approve, disapprove or grant variance with regard to under article VI.

The approval of the Developer of a site plan and building plans, or other matter shall not be construed as a representation or warranty that the site plan or building plans or other matter is in conformity with the zoning ordinances of the City of Tecumseh, if applicable, or building regulations of any other governmental authority, The Developer specifically disclaims any obligation or duty or duty to ascertain any such non-conformity or to advise a unit Owner or any other person of the same even if known to the Developer.

C. By Laws Article VI, Section 14 is amended and restated to read as follows:

Section 14. Owner Maintenance: Each Owner shall maintain his Unit, together with that portion of the general common elements in front thereof between the Unit boundary and the sidewalk, and the improvements on the Unit in a safe, aesthetically pleasing, clean and sanitary condition. This shall include mowing the area between the Unit boundary line and the sidewalk and clearing snow from the front of the Unit to the street.

Each Owner shall also use due care to avoid damaging any of the common elements, including, but not limited to natural gas, electrical, sewer, water lines, drainage easement courses or other utility conduits and systems and any other common elements within any unit which are appurtenant to or which may affect any other unit. Each Owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the common elements by him or his family, guests, agents, or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility unless reimbursement to the Association is limited by virtue of a deductible provision, in which case the responsible Owner shall bear the expense to the extent of the deductible amount). Any cost of damages to the Association may be assessed to and collected from the responsible Owner in the manner provided in Article II hereof.

D. By Laws Article IX, Section 2 is amended and restated as follows:

Section 2. First Annual Meeting: The first annual meeting of the members of the Association may be convened only by the Developer and may be called at any time after more than fifty percent (50%) of the units in Red Mill Pond Estates have been sold to persons other than builders who plan to construct homes for sale and the purchasers thereof are qualified as members of the Association or at such earlier time as may be required by the Act.

In all respects other than as indicated above, the Master Deed of Lone Oak of Red Mill Pond Condominium is ratified, confirmed, and remains in effect.

This First Amendment to the Master Deed of Lone Oak of Red Mill Pond Condominium has been signed by the Developer this 30th day of January, 2024.

Lone Oak Properties of Red Mill Pond, LLC,
a Michigan limited liability company

By: Allen D. Roberts
Allen D. Roberts, Member

STATE OF MICHIGAN)
LENAWEE COUNTY)

This document was acknowledged before me on January 30, 2024, Allen D. Roberts, acting as a member of Lone Oak Properties of Red Mill Pond, LLC, a Michigan limited liability company, on behalf of the company.

Holly Rickard
Holly Rickard, Notary public
County of Lenawee, State of Michigan
Acting in the County of Lenawee
My commission expires: 3/1/2027



Drafted by and without any opinion:
Acting in the County of
Lenawee

Mark J. Eby (P31869)
Dever Eby & Issa, PLLC
301 N. Main Street, 2nd Floor
Ann Arbor, MI 48104
734-769-2691



LIBER 2664 PAGE 0267 8 of 23

✓ When Recorded, Return To:
Allen D. Roberts
P.O. Box 400
Tecumseh, MI 49286

(mje_deloofdeverebby_com/Documents/Documents/Roberts Investment Co LLC/First Amendment to Master Deed - Loan Oak of Red Mill Pond 01-2024.doc)

**EXHIBIT B
CONDOMINIUM SUBDIVISION PLAN**

Amended Exhibit B to the Original Master Deed of Lone Oak of Red Mill Pond Condominium is attached.



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**EXHIBIT G
AFFIDAVIT OF MAILING**

STATE OF MICHIGAN)
) SS.
COUNTY OF LENAWEЕ)

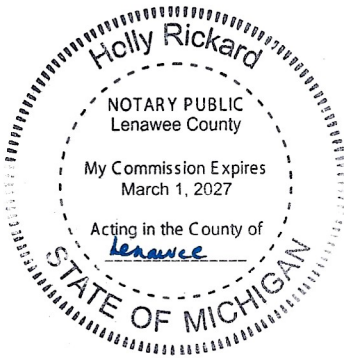
Allen D. Roberts, whose business address is P.O. Box 400, Tecumseh, Michigan 49286, being duly sworn, deposes and says that on January 30, 2024, he mailed by first class mail notices which included a copy of the proposed First Amendment to the Master Deed, as required by MCLA 559.190, to the Co-Owners of record of units in Loan Oak of Red Mill Pond Condominium, on behalf of the Developer.

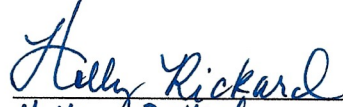
Deponent states nothing further.



Allen D. Roberts

Subscribed and sworn to before me this 30th day of January, 2024.





Holly Rickard, Notary Public
Lenawee County, Michigan
My Commission Expires: 3/1/2027
Acting in the County of Lenawee


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RCUD AM10:40 FEB 6 '19 LENAWE



LIBER 2574 PAGE 0984 1 of 99

STATE OF MICHIGAN - LENAWE COUNTY
RECORDED 02/06/2019 03:39:31 PM DEC
Carolyn S. Bator, REGISTER OF DEEDS \$30.00



**Declarations and Covenants
Lone Oak of Red Mill Pond Community**

99 pgs - see pag 61

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE
LONE OAK of RED MILL POND COMMUNITY**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this 4th day of February 2019, by Lone Oak Properties of Red Mill LLC, a Michigan limited liability company (hereinafter referred to as "Declarant"), of 800 South Maumee Street Tecumseh, Michigan 49286.

Declarant is the owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference. Declarant intends by this Declaration to impose upon the Properties (as defined herein) mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of real property within the Properties. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Properties, and to establish a method for the administration, maintenance, preservation, use, and enjoyment of such Properties as are now or hereafter subjected to this Declaration.

Declarant hereby declares that all of the property described in Exhibit "A" and any additional property which is hereafter subjected to this Declaration by Supplemental Declaration (as defined herein) shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property subjected to this Declaration and which shall be binding on all parties having any right, title or interest in the described Properties or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof.

This Declaration does not and is not intended to create a condominium within the meaning of the Michigan Condominium Act, M.C.L.A. §559.101-.274.

**ARTICLE I
DEFINITIONS**

The terms in this Declaration and the By-Laws attached hereto as Exhibit "C" shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

Section 1: "Area of Common Responsibility" shall mean the Common Area, together with those areas, if any, which by the terms of this Declaration, any supplemental Declaration, contract or agreement with any Neighborhood, become the responsibility of the Association. The office of any property manager employed by or contracting with the Association, if located on the Properties, or any public rights-of-way within or adjacent to the Properties, may be part of the Area of Common Responsibility.

Section 2: "Articles of Incorporation" or "Articles" mean the Articles of Incorporation of Lone Oak of Red Mill Pond Community Association as filed with the Michigan Department of Commerce.

Section 3: "Association" shall mean Lone Oak of Red Mill Pond Community Association, a Michigan non-profit corporation, its successors or assigns. The use of the term "association" or "associations" in lower case shall refer to any condominium association having jurisdiction over any part of the Properties.

Section 4: "Base Assessment" shall mean assessments levied on all Units in the Properties subject to assessment under Article X to fund Common Expenses for the general benefit of all Units, as more particularly described in Article X, Section 1.

Section 5: "Board of Directors" or "Board" shall mean the elected body having its normal meaning under Michigan corporate law.

Section 6: "By-Laws" shall mean the By-Laws of Lone Oak of Red Mill Pond Community Association attached hereto as Exhibit "C" and incorporated by reference, as they may be amended from time to time.

Section 7: "Class "B" Control Period" shall refer to the period of time during which the Class "B" Member is entitled to appoint a majority of the members of the Board of Directors, as provided in Article III, Section 2, of the By-Laws.

Section 8: “Common Area” shall be an inclusive term and shall include any area owned by the Association.

Section 9: “Common Expenses” shall mean the actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Unit Owners, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws and the Articles of Incorporation of the Association, but shall not include any expenses incurred during the Class “B” Control Period for initial development, original construction, installation of infrastructure, original capital improvements, or other original construction costs unless approved by Voting Members representing a majority of the total Class “A” vote of the Association.

Section 10: “Community-Wide Standard” shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard may be more specifically determined by the Board of Directors and the New Construction Committee.

Section 11: “Declarant” shall mean Lone Oak Properties of Red Mill, LLC, a Michigan limited liability company, or its successors, successors-in-title, or assigns who take title to any portion of the property described on Exhibit “A” hereof for the purpose of development and/or sale and are designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant.

Section 12: “General Common Area” shall mean all real and personal property which the Association now or hereafter owns or otherwise holds for the common use and enjoyment of all Owners.

Section 13: “Master Plan” shall mean the site plan for the development of the Lone Oak of Red Mill Pond Community prepared by Associated Engineers and Surveyors, Inc., as it may be amended from time to time, which plan includes the property described on Exhibit “A” and all or a portion of the property described on Exhibit “B” which Declarant may from time to time anticipate subjecting to this Declaration. Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration nor shall the exclusion of property described on Exhibit “B” from the Master Plan bar its later annexation in accordance with Article IX hereof.

Section 14: “Member” shall mean a Person entitled to membership in the Association.

Section 15: “Mortgage” shall mean a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

Section 16: “Mortgagee” shall mean a beneficiary or holder of a Mortgage.

Section 17: “Mortgagor” shall mean any Person who gives a Mortgage.

Section 18: “Neighborhood” shall mean each separately developed residential area comprised of one (1) or more housing types subject to this Declaration, whether or not governed by an additional owner’s association, in which owners may have common interests other than those common to all Association Members. For example, and not limitation, each condominium may constitute a separate Neighborhood. In addition, each parcel of land intended for development as a condominium shall constitute a Neighborhood, subject to division into more than one (1) Neighborhood upon development.

Where the context permits or required, the term Neighborhood shall also refer to the Neighborhood Association having jurisdiction over the property within the Neighborhood.

Section 19: “Neighborhood Assessments” shall mean assessments levied against the Units in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses, as more particularly described in Article X, Section 1 of this Declaration.

Section 20: “Neighborhood Association” shall mean the condominium owners association having jurisdiction over the property within each Neighborhood.

Section 21: “Neighborhood Expenses” shall mean and include the actual and estimated expenses incurred or anticipated to be incurred by the Association for the benefit of Owners of Units within a particular Neighborhood or Neighborhoods, which may include a reasonable reserve for capital repairs and replacement, all as may be specifically authorized from time to time by the Board of Directors and as more particularly authorized herein.

Section 22: “Owner” shall mean one (1) or more Persons who hold the record title to any Unit but excluding in all cases any party holding an interest merely as security for the performance of and obligation. Owner shall also include both a land

contract vendor and a land contract vendee and they shall have joint and several responsibilities for assessments by the Association.

Section 23: “Person” shall mean a natural person, a corporation, a limited liability company, a partnership, a trustee, or any other legal entity.

Section 24: “Properties” shall mean the real property described in Exhibit “A” attached hereto, together with such additional property as is hereafter subjected to this declaration by Supplemental Declaration.

Section 25: “Special Assessment” shall mean assessments levied in accordance with Article X, Section 5 of this Declaration.

Section 26: “Supplemental Declaration” shall mean an amendment or supplement to this Declaration filed pursuant to Article IX which subjects additional property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein. The term shall also refer to an instrument filed by Declarant pursuant to Article III, Section 3.b., which designates Voting Groups.

Section 27: “Unit” shall mean a portion of the Properties, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use and occupancy as an attached or detached dwelling for a single family. The terms shall include within its meaning, by way of illustration, but not limitation, attached and detached units, as well as vacant homes and land intended for development as such, and shall include all portions of the lot owned as well as any structure thereon.

In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Units designated for residential use for such parcel on the site plan approved by Declarant until such time as a certificate of occupancy is issued on all or a portion of the Parcel by the local governmental entity having jurisdiction. After issuance of a certificate of occupancy on any portion thereof, the portion designated in the certificate of occupancy shall constitute a separate Unit or Units as determined above and the number of Units on the remaining land, if any, shall continue to be determined in accordance with this paragraph.

Section 28: “Voting Group” shall mean one (1) or more Voting Members who vote on a common slate for election of directors to the Board of Directors of the Association, as more particularly described in Article III, Section 3.b. and Article III, Section 6 of the By-Laws, of this Declaration or, if the context so indicates, the group of Members whose Units are represented.

Section 29: “Voting Member” shall mean the representative selected by the Members of each Neighborhood to be responsible for casting all votes attributable to Units in the Neighborhood on all matters requiring a Vote of the Membership unless otherwise specifically provided in this Declaration and in the By-Laws. The Voting Member from each Neighborhood shall be the senior elected officer from the Neighborhood Association having jurisdiction over that Neighborhood; the alternate Voting Member shall be the next most senior officer. The term “Voting Member” shall include alternate Voting Members acting in the absence of the Voting Member.

ARTICLE II PROPERTY RIGHT

Section 1: Common Area. Every Owner shall have a right and nonexclusive easement of use, access and enjoyment in and to the Common Area, subject to:

- a. This Declaration and any other applicable covenants as they may be amended from time to time and subject to any restrictions or limitations contained in any deed conveying such property to the Association;
- b. The right of the Board to adopt rules regulating the use and enjoyment of the Common Area, as well as the private streets in the Common Area;
- c. The right of the Association, acting through the Board, to create a conservation, drainage or utility easement over, and to otherwise dedicate or transfer, all or any part of the private streets within the Common Area pursuant to Article IV, Section 9 hereof;
- d. The right of the Board to impose reasonable membership requirements and charge reasonable maintenance, repair and replacement assessments, admission or other fees for the use of the Common Area, as well as the private streets within the Common Area;

- e. The right of the Association, acting through the Board, to mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred subject to the approval requirements set forth in Article XIV, Section 2 hereof; and

any Owner may delegate his or her right of use and enjoyment in the Common Area to the members of his or her family, lessees and social invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt, an Owner who leases his or her Unit shall be deemed to have delegated all such right to the Unit's lessee.

The Declarant shall convey the private streets within the Common Area to the Association prior to the conveyance of a Unit to any Person other than a builder or developer holding title for the purpose of development and resale.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1: Membership. Every Owner shall be deemed to have a membership in the Association.

No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Unit owned. In the event a Unit is owned by more than one (1) Person all co-owners shall be entitled to the privileges of membership subject to the restrictions on voting set forth in Section 2 of this Article and in the By-Laws. All such co-owners shall be jointly and severally obligated to perform the responsibilities of Owners hereunder. The right and privileges of membership may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the By-Laws. The membership rights of a Unit owned by a corporation, limited liability company, or partnership shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

Section 2: Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B".

- a. **Class "A".** Class "A" Members shall be all Owners except the Class "B" Member, if any.

Class "A" Members shall be entitled to one (1) equal vote for each Unit in which they hold the interest required for membership under Section 1 hereof; there shall be only one (1) vote per Unit. Unless otherwise specified in this Declaration or the By-Laws, the vote for each Unit shall be exercised by the Voting Member representing the Neighborhood of which the Unit is a part. The Voting Member may cast all such votes as it, in its discretion, deems appropriate.

In any situation where a Member is entitled personally to exercise the vote for his Unit and there is more than one (1) owner of a particular unit, the vote for such Unit shall be exercised as such co-owners determine among themselves and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the Unit's vote shall be suspended if more than one (1) Person seeks to exercise it.

- b. **Class "B"**. Class "B" The Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve, or withhold approval of, actions taken under this declaration and the By-Laws. The Class "B" member shall be entitled to appoint a majority of the members of the board of directors during the Class "B" Control Period, as specified in Article III, Section 2 of the By-Laws. After termination of the Class "B" Control Period, the Class "B" Member shall have a right to disapprove actions of the board of Directors and any committee as provided in Article III, Section 3 of the By-Laws.

The Class B membership shall terminate and become converted to a class "A" membership upon the earlier of:

- (1) Two (2) years after expiration of the Class "B" Control Period pursuant to Article III of the By-Laws; or
- (2) When, in its discretion, the Declarant so determines and declares in a recorded instrument.

Section 3. Neighborhoods and Voting Groups.

- a. **Neighborhoods.** Every Unit shall be located within a Neighborhood. The Units within a particular Neighborhood shall be subject to additional covenants and the Unit Owners shall all be members of a Neighborhood Association in addition to the Association.

Each Neighborhood, may require that the Association provide a higher level of service or special services for the benefit of Units in such Neighborhood, upon the affirmative vote, written consent, or a combination thereof of a majority of Owners within the Neighborhood. In such event, the Association shall provide the services. The cost of such services shall be assessed against the Units within such Neighborhood as a Neighborhood Assessment pursuant to Article X hereof.

Exhibit "A" to this Declaration, and each Supplemental Declaration filed to subject additional property to this Declaration, may initially assign the property described therein to a specific Neighborhood by name, which Neighborhood may be then existing or newly created. The Declarant may unilaterally amend this Declaration or any Supplemental Declaration from time to time to re-designate Neighborhood boundaries.

- b. **Voting Groups.** The Declarant shall establish Voting Groups for election of directors to the Board in order to promote representation on the Board of Directors for various groups having dissimilar interests and to avoid a situation in which the Voting Members representing similar Neighborhoods are able, due to the number of Units in such Neighborhoods, to elect the entire Board of Directors, excluding representation of others. Each Voting Group shall be entitled to elect the number of

directors specified in Article III, Section 6 of the By-Laws. Any other members of the Board of Directors shall be elected at large by all Voting Members without regard to Voting Groups.

The Declarant shall establish Voting Groups not later than the date of expiration of the Class "B" Control Period by filing with the Association and with the Register of Deeds for Lenawee County, Michigan, a Supplemental Declaration identifying each Voting Group and designating the Neighborhood within each group. Such designation may be amended from time to time by the Declarant, acting alone, at any time prior to the expiration of the Class "B" Control Period. Until such time as Voting Groups are established by the Declarant, or in the event that Declarant fails to establish Voting Groups, all Neighborhoods shall be assigned to the same Voting Group.

ARTICLE IV

RIGHTS AND OBLIGATION OF THE ASSOCIATION

Section 1: Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including, without limitation, furnishing, equipment, and common landscaped areas), and shall keep it in good, clean, attractive, and sanitary condition, order and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard. Open space shall forever remain open space, subject only to uses approved on the site plan by the City of Tecumseh. Further subdivision of open space land or its use for other than recreation, conservation or agricultural purposes, except for easements for utilities, shall be strictly prohibited. The dedication of open space in perpetuity is binding on all successors and assigns of the Declarant and future owners of units within the Properties. In the event that the City undertakes maintenance within the open space as a result of inadequate maintenance by the Association, or the open space is determined by the City to be a public nuisance, then, and in either of those events, any and all cost associated with maintenance performed by the City will be assessed by the City upon the Unit Owners within the Properties.

Section 2: Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold or other property interests within the Properties conveyed to it by the Declarant.

Section 3: Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Properties, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Such regulations and use restrictions shall be binding upon all Owners, occupants, invitees, and tenants, if any, until and unless overruled, canceled or modified in a regular or special meeting of the Association by the vote of Voting Members representing a majority of the total Class "A" votes in the Association and by the Class "B" Member, so long as such membership exists.

Section 4: Enforcement. The Association shall be authorized to impose sanctions for violations of this Declaration, By-Laws or rules and regulations which sanctions



may include reasonable monetary fines and suspension of the right to vote and the right to use the Common Area. In addition, the Association, through the Board, in accordance with Article III, Section 22 of the By-Laws, shall have the right to exercise self-help to cure violation, and shall be entitled to suspend any services provided by the Association to any Owner or such Owner's Unit in the event that such Owner is more than thirty (30) days delinquent in paying any assessment or other charge due to the Association. The Board shall have the power to seek relief in any court for violations or to abate nuisances. Sanctions shall be imposed as provided in the By-Laws.

The Association, through the Board, by contract or other agreement, shall have the right to enforce county and city ordinances, if applicable, and to permit the City of Tecumseh to enforce ordinances on the Properties for the benefit of the Association and its Members.

Section 5: Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws. The Association may also exercise every other right or privilege reasonably implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 6: Governmental Interest. For so long as the Declarant owns any property shown on Exhibits "A" or "B", the Association shall permit the Declarant to designate sites within the Properties for sewer and water lines and dedicate such lines for public purposes. Once none of the property described on Exhibits A or B is owned by the Declarant, the Association shall permit the City of Tecumseh to designate sites within the Properties for sewer and water lines and dedicate such lines for public purposes so long as such easements do not affect any planned or existing structures.

Section 7: Indemnification. The Association shall indemnify every officer, director and committee member against any and all expenses, including reasonable attorney's fees, incurred by or imposed upon such officer, director or committee member in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the Board of Directors) to which he or she may be a party by reason of being or having been an officer, director or committee member.

The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The Officers and directors shall have no personal liability with respect to any contract or other commitment made by them in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association). The Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any present or former officer, director or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 8: Powers of the Association with Respect to Neighborhoods. The Association shall have the power to veto any action taken or contemplated to be taken by any Neighborhood Association which the Board reasonably determines to be adverse to the interests of the Association or its Members or inconsistent with the Community-Wide Standard. The Association also shall have the power to require specific action to be taken by any Neighborhood Association in connection with its obligations and responsibilities hereunder or under any other covenants affecting the Properties. Without limiting the generality of the foregoing, the Association may require specific maintenance or repairs or aesthetic changes to be effectuated by the Neighborhood Association, may require that a proposed budget include certain items and that expenditures be made therefor, and may veto or cancel any contract providing for maintenance, repair or replacement of the property governed by such Neighborhood Association.

Any action required by the Association in a written notice pursuant to the foregoing paragraph to be taken by a Neighborhood Association shall be taken within the time frame set by the Association in such written notice, which time frame shall be reasonable. If the Neighborhood Association fails to comply with the requirements set forth in such written notice, the Association shall have the right to affect such action on behalf of the Neighborhood Association. To cover the Association's administrative expenses in connection with the foregoing and to discourage failure to comply with the requirements of the Association, the Association shall assess the Units in such Neighborhood for their pro rata share of any expenses incurred by the Association in taking such action in the manner provided in Article X, Section

5. Such assessments may be collected as a Special Assessment hereunder and shall be subject to all lien rights provided for herein.

Section 9: Dedication of Conservation, Drainage and Utility Easements Within Common Area. The Association acting through its lawfully constituted Board of Directors shall be empowered and obligated to grant such easements, licenses, rights-of-entry, and rights-of-way over, under and across the Common Area for utility purposes, access purposes, or other lawful purposes as may be necessary for the benefit of the Community; subject, however, to the approval of the Declarant.

Section 10: Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTIES, HOWEVER, AND NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS AND OCCUPANTS OF ANY UNIT, TENANTS, GUESTS, AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION AND ITS BOARD OF DIRECTORS, DECLARANT, OR ANY SUCCESSOR DECLARANT AND THE NEW CONSTRUCTION AND MODIFICATIONS COMMITTEES TO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY THE DECLARANT OR THE NEW CONSTRUCTION OR MODIFICATIONS COMMITTEES MAY NO BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER AND OCCUPANT OF ANY UNIT, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES DECLARANT, OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY UNIT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS AND FIRTHER ACKNOWLEDGES THA THE

ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT, GUEST, OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTIES.

ARTICLE V MAINTENANCE

Section 1: Association Responsibility. The Association shall maintain and keep in good repair the Area of Common Responsibility, such maintenance to be funded as hereinafter provided. The Area of Common Responsibility shall include, but need not be limited to: maintenance, repair and replacement subject to any insurance then in effect, of all landscaping and other flora, structures, drainage easements and detention/sedimentation areas, and other improvements, including private streets, situated upon the Common Area and such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, or by a contract or agreement for maintenance thereof by the Association. Routine maintenance of the storm water facilities must be completed within thirty (30) days of written notification by the City of Tecumseh that action is required, unless other acceptable arrangements are made with the City of Tecumseh. Should the Association fail to act within this time frame, the City of Tecumseh may perform the needed maintenance and assess the costs upon the unit owners within the Properties. Open space shall forever remain open space, subject only to uses approved on the site plan by the City of Tecumseh. Further subdivision of open space land or its use for other than recreation, conservation or agricultural purposes, except for easements for utilities, or as otherwise approved by the City of Tecumseh shall be strictly prohibited. The dedication of open space in perpetuity is binding on all successors and assigns of the Declarant and future owners of Units in the Properties. In the event that the City undertakes maintenance within the open space as a result of inadequate maintenance by the Association, or the open space is determined by the City to be a public nuisance, then, and in either of those events, any and all costs associated with maintenance



performed by the City will be assessed by the City upon the Unit Owners in the Properties.

The Association shall be responsible for the maintenance, repair and replacement of all private streets located on the Properties, and the access point easement on Red Mill Pond located on the general common elements of the Lone Oak of Red Mill Pond Villas for use by all members of the Association. Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense to be allocated among all Units as part of the Base Assessment, subject to the right of the Association to seek reimbursement from the Owner(s) of, or other persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, and other recorded covenants or agreements with the owner(s) thereof.

The Association shall also be responsible for maintenance, repair and replacement of property within any Neighborhood to the extent designated in any Supplemental Declaration affecting the Neighborhood. The Association may also assume maintenance responsibilities with respect to any Neighborhood in addition to those that may be designated by any Supplemental Declaration. This assumption of responsibility may take place either by agreement with the Neighborhood or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard of the Properties. All costs of maintenance pursuant to this paragraph shall be assessed as a Neighborhood Assessment only against the Units within the Neighborhood to which the services are provided. The provision of services in accordance with this Section shall not constitute discrimination within a class.

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Section 2: Owner's Responsibility. Each Owner shall maintain his or her Unit and all structures, parking areas and other improvements comprising the Unit in a manner consistent with the Community-Wide Standard and all applicable covenants, unless, such maintenance responsibility is otherwise assumed by or assigned to the Association or a Neighborhood pursuant to any Supplemental



Declaration or other declaration of covenants applicable to such Unit. In addition to any other enforcement rights available to the Association, if any Owner fails properly to perform his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all cost incurred by the Association against the Unit and the Owner in accordance with Article X, Section 5.b. of this Declaration. However, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

Section 3: Neighborhood's Responsibility. Upon resolution of the Board of Directors, the Owners of Units within each Neighborhood shall be responsible for paying, through Neighborhood Assessments, costs of maintenance of certain portions of the Area of Common Responsibility within or adjacent to such Neighborhood. This may include, without limitation, the costs of maintenance of greenspace between the Neighborhood and adjacent private streets, and ponds or wetlands within the Neighborhood, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association.

Any Neighborhood having responsibility for maintenance of all or a portion of the property within a particular Neighborhood pursuant to additional covenants affecting the Neighborhood shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard. If any Neighborhood fails to perform its maintenance responsibility as required herein and in any additional covenants, the Association may perform it and assess the cost against all Units within such Neighborhood as provided in Article X, Section 5.b. of this Declaration.

Section 4: Standard of Performance. Unless otherwise specifically provided herein, responsibility for maintenance shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with the Community-Wide Standard and all applicable covenants. Neither the Association, an Owner nor a Neighborhood Association shall be liable for any damage or injury occurring on, or arising out of the condition of, property which is does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities hereunder.

ARTICLE VI
INSURANCE AND CASUALTY LOSSES

Section 1: Association Insurance. The Association acting through its Board of Directors or its duly authorized agent, shall have the authority to and shall obtain blanket "all-risk" property insurance, if reasonably available, for all insurable improvements on the Common Area and on such other portions of the Area of Common Responsibility to the extent the Association is responsible for maintenance, repair and/or replacement thereof. If blanket "all-risk" coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage, including coverage for vandalism and malicious mischief shall be obtained. The face amount of such insurance shall be sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any insured peril.

In addition, the Association may, upon request of a Neighborhood, and shall, if so specified in a Supplemental Declaration affecting the Neighborhood, obtain and continue in effect adequate blanket "all-risk" property insurance on properties within such Neighborhood, if reasonably available. If "all-risk" insurance property is not reasonably available, then fire and extended coverage may be substituted. Such coverage may be in such form as the Board of Directors deems appropriate. The face amount of the policy shall be sufficient to cover the full replacement cost of all structures to be insured. The costs shall be charged to the Owners of Units within the benefitted Neighborhood as a Neighborhood Assessment. All policies shall provide for a certificate of insurance to be furnished to each Member insured, to the Association, and to the Neighborhood Associations.

The board shall also obtain a public liability policy covering the Area of Common Responsibility, insuring the Association and its Members for all damage or injury caused by the negligence of the Association, any of its Members, its employees, or agents or contractors while acting on behalf of the Association. The public liability policy shall have at least a One Million Dollar (\$1,000,000.00) combined single person limit as respects bodily injury and property damage, a Three Million Dollar (\$3,000,000.00) limit per occurrence, if reasonably available, and a Five Hundred Thousand Dollar (\$500,000.00) minimum property damage limit.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses for the Association and shall be included in the Base Assessment. Insurance policies may contain a reasonable deductible. The amount of the

deductible shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the coverage required hereunder. The deductible shall be paid by the party or parties who would be liable for the loss or repair in the absence of insurance and, in the event to multiple parties, shall be allocated in relation to the amount each party's loss bears to the total.

All insurance coverage obtained by the Board of Directors, whether obtained on behalf of the Association or a Neighborhood, shall be governed by the following provisions:

- a. All policies shall be written with a company authorized to do business in Michigan. All insurance shall be written in the name of the Association as trustee for the benefitted parties.
- b. Policies on the Area of Common Responsibility shall be for the benefit of the Association and its Members. Policies secured at the request of a Neighborhood shall be for the benefit of the Neighborhood Association, the Owners of the Units within the Neighborhood and their Mortgagees, as their interest may appear.
- c. Exclusive authority to adjust losses under policies obtained by the Association on the Properties shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiation, if any.
- d. In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors be brought into contribution with insurance purchased by individual Owners, occupants or their Mortgagees.
- e. All property insurance policies shall have an inflation guard endorsement, if reasonably available. If the policy contains a co-insurance clause, it shall also have an agreed amount endorsement. The Association shall arrange for review of the sufficiency of insurance coverage by one (1) or more qualified persons, at least one (1) of whom must be in the real estate industry and familiar with construction in the City of Tecumseh, Lenawee County, area.

- f. The Board of Directors shall be required to use reasonable efforts to secure insurance policies that will provide the following:
- (1) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, officers, employees, and its manager and the Owners and occupants and their tenants, servants, agents and guests;
 - (2) a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;
 - (3) a statement that no policy may be canceled, invalidated, suspended, or subjected to non-renewal on account of any one (1) or more individual Owners;
 - (4) a statement that no policy may be canceled, invalidated, suspended, or subjected to non-renewal on account of any curable defect or violation without prior demand in writing delivered to the Association to cure the defect of violation and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or Mortgagee;
 - (5) a statement that any "other insurance" clause in any policy excludes individual Owners' policies from consideration; and
 - (6) a statement that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification or non-renewal.

In addition to the other insurance required by this Section, the Board shall obtain, as a Common Expense, worker's compensation insurance, if and to the extent required by law, directors' and officers' liability coverage, if reasonably available, a fidelity bond or bonds on directors, officer, employees, and other Persons handling or responsible for the Association's funds, if reasonably available, and flood insurance, if required. The amount of fidelity coverage shall be determined in the directors' best business judgment but, if reasonably available, may not be less than one-sixth (1/6) of the annual Base Assessments on all Units, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior

written notice to the Association of any cancellation, substantial modification or non-renewal.

Section 2: Individual Insurance. By virtue of taking title to a Unit subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry a blanket “all-risk” property insurance on the Unit(s) and structures constructed thereon and such insurance must meet the same requirements set forth in Section 1 of this Article for insurance on the Common Area, unless either the Neighborhood in which the Unit is located or the Association carries such insurance (which they are not obligated to do hereunder).

Each Owner further covenants and agrees that in the event of damage to or destruction of structures comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article XI of this Declaration. The Owner shall pay any cost of repair or reconstruction which are not covered by insurance proceeds. Alternatively, in the event that the structure is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear the Unit of all debris and ruins and return the property to substantially the natural condition in which it existed prior to commencing construction thereon, in which case the Unit shall thereafter be maintained in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Additional recorded covenants applicable to any Neighborhood may have more stringent requirements regarding the standards for rebuilding or reconstructing structures on the Units within the Neighborhood and the standards for returning the Units to their natural state in the event the structures are not rebuilt or reconstructed.

Section 3: Damage and Destruction. Immediately after damage or destruction by fire or other peril to all or any part of the Properties covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Properties to

substantially the same condition in which they existed prior to the fire or other peril, allowing for any changes or improvements necessitated by changes in applicable building codes.

Any damage or destruction to the Common Area or to the common elements of any Neighborhood Association shall be repaired or reconstructed unless the Voting Members representing at least seventy-five percent (75%) of the total Class "A" vote of the Association, if Common Area, or the Unit Owners representing at least seventy-five (75%) of the total vote of the Neighborhood Association whose common elements are damaged, if common elements of a Neighborhood Association, decide within sixty (60) days after the damage or destruction not to repair or reconstruct.

If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such funds or information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area or common property of a Neighborhood Association shall be repaired or reconstructed.

If it is determined in the manner described above that the damage or destruction to the Common Area or to the common elements of any Neighborhood Association shall not be repaired or reconstructed and no alternative improvements are authorized the affected portion of the Properties shall be cleared of all debris and ruins, thereafter the Properties shall be maintained by the Association or the Neighborhood Association, as applicable, in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Section 4: Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies held by the Association are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction. Proceeds remaining after defraying such costs of repair or reconstruction or if no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) as their interest may appear, shall be retained by and for the benefit



of the Association of the Neighborhood, as applicable, and place in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

Section 5: Repair and Reconstruction. If the insurance proceeds are insufficient to defray the costs of repairing or reconstructing the damage to the Common Area or to the common elements of the Neighborhood Association, the Board of Directors shall without the necessity of a vote of the Voting Members, levy a special assessment against those Owners of Units responsible for the premiums for the applicable insurance coverage under Section 1 of this Article. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

ARTICLE VII NO PARTITION

Except as is permitted in the Declaration or amendments thereto, there shall be no judicial partition of the Common Area or any part thereof. Nor shall any Person acquiring any interest in the Properties or any part thereof seek any judicial partition unless the Properties have been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

ARTICLE VIII CONDEMNATION

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Voting Members representing at least sixty-seven percent (67%) of the total Class "A" vote in the Association and of the Declarant, as long as the Declarant owns any property described on Exhibit "A", by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the

extent lands are available therefor, in accordance with plans approved by the Board of Directors of the Association unless within sixty (60) days after such taking the Declarant, so long as the Declarant owns any property described in Exhibit "A" of this Declaration and Voting Members representing at least seventy-five percent (75%) of the total Class "A" vote of the Association shall otherwise agree. If such improvements are to be repaired or restored, the provision in Article VI hereof regarding the disbursement of funds for the repair of casualty damage or destruction shall apply.

If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors shall determine.

ARTICLE IX ANNEXATION OF PROPERTY

Section 1: Annexation Without Approval of Membership. Declarant shall have the unilateral right, privilege and option, from time to time at any time until all property described on Exhibit "B" has been subjected to this Declaration or December 31, 2033, whichever is earlier, to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the real property described in Exhibit "B", attached hereto. Declarant shall have the unilateral right to transfer to any other Person the right, privilege and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of the real property described in Exhibit "A" or "B" and that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

Such annexation shall be accomplished by filing with Register of Deeds for Lenawee County, Michigan, a Supplemental Declaration annexing such property. Such Supplemental Declaration shall not require the consent of Voting Members, but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

Section 2: Annexation with Approval of Membership. Subject to the consent of the Owner thereof, the Association may annex real property other than that



described on exhibit "B" and following the expiration of the right in Section 1, any property described on Exhibit "B" to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of Voting Members representing a majority of the Class "A" votes of the Association (other than those held by Declarant) present at a meeting duly called for such purpose and of the Declarant, so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 1 of this Article.

Annexation shall be accomplished by filing with the Register of Deeds for Lenawee County, Michigan, a Supplemental Declaration describing the property being annexed. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the property being annexed. Any such annexation shall be effective upon filing unless otherwise provided therein.

Section 3: Acquisition of Common Area. Subject to Section 1 of Article II, hereinabove, Declarant may convey to the Association any real estate, improved or unimproved, located within the properties described in Exhibits "A" or "B". Upon conveyance or dedication to the Association, the real estate shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all Members.

Section 4: Additional Covenants and Easements. The Declarant may unilaterally subject any portion of the property submitted to this Declaration initially or by Supplemental Declaration to additional covenants and easement, including covenants obligating the Association to maintain and insure such property on behalf of the Owners thereof and obligating such Owners to pay the costs incurred by the Association through Neighborhood Assessments. Such additional covenants and easements shall be set forth in a Supplemental Declaration filed either concurrent with or after the annexation of the subject property, and shall require the written consent of the Owner(s) of such property, if other than the Declarant.

Section 5: Amendment. This Article shall not be amended without the prior written consent of Declarant, so long as the Declarant owns any property described in Exhibits "A" or "B".

**ARTICLE X
ASSESSMENTS**

Section 1: Creation of Assessments. There are hereby created assessments for Association expenses as may from time to time specifically be authorized by the Board of Directors, to be commenced at the time and in the manner set forth in Section 7 of this Article. There shall be three (3) types of assessments:

- (a) Base Assessments to fund Common Expenses for the benefit of all Members of the Association
- (b) Neighborhood Assessments for Neighborhood Expenses benefitting only Units within a particular Neighborhood or Neighborhoods
- (c) Special Assessments as described in Section 5 below. Each Owner, by acceptance of a deed or land contract for any portion of the Properties, is deemed to covenant and agree to pay these assessments.

Base Assessments shall be levied equally on all Units. Neighborhood Assessments shall be levied equally against all Units in the Neighborhood benefitting from the services supported. However, in the event of assessments for exterior maintenance of structures, insurance on structures or replacement reserves which pertain to particular structures such assessments for the use and benefit of particular Units shall be levied on each of the benefitted Units in proportion to the benefit received, if so specified in the Supplemental Declaration applicable to such Neighborhood or if so directed by the Neighborhood in writing to the Board of Directors. Special Assessments shall be levied as provided in Section 5 below.

All assessments, together with interest at seven percent (7%) (or at a rate approved by the Board of Directors that shall not exceed the highest rate allowed by Michigan law) as computed from the date the delinquency first occurs, late payment charges, fines, costs, advance paid by the Association to protect its lien, and actual attorney's fees (not limited to statutory fees), and other costs, also shall be the personal obligation of the person who was the Owner of such Unit at the time the assessment arose. In the event of a transfer of title, his or her grantee shall be jointly and severally liable for such portion as may be due and payable at the time of conveyance. However, no first Mortgagee who obtains title to a Unit pursuant to the remedies provided in the Mortgage shall be liable for upon assessments which accrued prior to such acquisition of title.



The Association shall, upon demand at any time, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid as to any particular Unit. Such certificate shall be conclusive evidence of payment to the Association of such assessment therein stated to have been paid. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors. If the Board so elects, assessments may be paid in two (2) or more installments. Unless the Board otherwise provides, the Base Assessment and any Neighborhood Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require any unpaid installments of the annual assessment and/or any other assessments to be paid in full immediately.

No Owner may waive or otherwise exempt himself from liability for the assessments, including, by way of illustration and not limitation, by non-use of the Common Area or abandonment of the Unit. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance or with any order or directive of any municipal or other governmental authority.

So long as the Declarant has an option unilaterally to subject additional property to this Declaration or owns a Unit in the Properties, the Declarant may annually elect either to pay regular assessments on its unsold Units or to pay to the Association the difference between the amount of assessments collected on all other Units subject to assessment and the amount of actual expenditures required to operate the Association during the fiscal year. The Declarant shall not be responsible for payment of any assessment for deferred maintenance, reserves for replacement, for capital improvements, or other special assessments with regard to the Common Area, except with respect to units owned by it on which a completed residential dwelling is located. Further, the Declarant shall in no event

be liable for any assessment levied in whole or in part to purchase any unit from the Declarant or to finance any litigation or other claim against the Declarant, any cost of investigating and preparing such litigation or claim, or any similar or related costs. A "completed residential dwelling" shall mean dwelling with respect to which a certificate of occupancy has been issued by the City of Tecumseh, The Declarant may change its method of payment upon sixty (60) days' written notice to the Board of Directors. The Declarant's obligations hereunder may be satisfied in the form of a cash subsidy or by "in kind" contributions of services or material, or a combination of these.

The Association is specifically authorized to enter into subsidy contracts for "in kind" contribution of services, materials or a combination of services and material with the Declarant or other entities for the payment of some portion of the Common Expenses.

Section 2: Computation of Base Assessment. It shall be the duty of the Board, at least ninety (90) days before the beginning of each fiscal year, to prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a budget separately prepared as provided in Section 4 of this Article.

The Base Assessment to be levied against each Unit for the coming year shall be set at a level which is reasonably expected to produce the total income of the Association equal to the total budgeted Common Expenses, including reserves. In determining the level of assessments, the Board, in its discretion, may consider other sources of funds available to the Association. In addition, the Board shall, take into account the number of Units subject to assessment under Section 7 hereof on the first day of the fiscal year for which the budget is prepared and the number of units reasonably anticipated to become subject to assessment during the fiscal year.

So long as the Declarant has the right unilaterally to annex additional property pursuant to Article IX hereof or owns a Unit in the Properties, the Declarant, may elect on an annual basis, but shall not be obligated, to reduce the resulting Base Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Declarant under Section 1 above). Any such subsidy shall be conspicuously disclosed as a line item in the income portion of the Common Expense budget

and shall be made known to the membership. The payment of such subsidy in any year shall under no circumstances obligate the Declarant to continue payment of such subsidy in future years.

The Board shall send a copy of the budget and notice of the amount of the Base Assessment to be levied against each Unit for the following year to be delivered to the appropriate Neighborhood Association at least sixty (6) days prior to the beginning of the fiscal year for which it is to be effective. Such budget and assessment shall become effective unless disapproved at a meeting by Voting Members representing at least seventy-five (75%) of the total Class "A" votes in the Association and by the Class "B" Member, if such exists. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Voting Members as provided for special meetings in Article II, Section 4, of the By-Laws, which petition must be presented to the Board within ten (10) days after delivery of the notice of assessments.

Notwithstanding the foregoing, however, in the event the proposed budget is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined, the budget in effect for the immediately preceding year shall continue for the current year.

Section 3: Computation of Neighborhood Assessments. It shall be the duty of the Board, at least ninety (90) days before the beginning of each fiscal year, to prepare a separate budget covering the estimated Neighborhood Expenses to be incurred by the Association for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration or the By-Laws specifically authorizes the Board to assess certain costs as a Neighborhood Assessment. Any Neighborhood may request that additional services or a higher level of services be provided by the Association, and in such case, any additional costs shall be added to such budget. Such budget may include a capital contribution establishing a reserve fund for repair and replacement of capital items within the Neighborhood, as appropriate. Neighborhood Expenses shall be allocated on a pro rata basis among all Units within the Neighborhood benefitted thereby and levied as a Neighborhood Assessment.

The Board shall cause a copy of such budget and notice of the amount of the Neighborhood Assessment to be levied on each Unit in the Neighborhood for the

coming year to be delivered to the appropriate Neighborhood Association at least sixty (60) days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved by a majority of the Owners of Units in the Neighborhood which the Neighborhood Assessment applies. Provided, there shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Owners of at least ten percent (10%) of the Units in such Neighborhood. Provided, further, the right to disapprove shall only apply to those line items in the Neighborhood budget which are attributable to services requested by the Neighborhood.

In the event the proposed budget for any Neighborhood is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined, the budget in effect for the immediately preceding year shall continue for the current year.

Section 4: Reserve Budget and capital Contribution. The Board of Directors shall annually prepare reserve budgets for both general and Neighborhood purposes which, take into account the number and nature of replaceable assets, the expected life of each asset and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect both to amount and timing by annual Base Assessments or Neighborhood Assessments, as appropriate, over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within and distributed with the applicable budget and notice of assessments, as provided in Sections 2 and 3 of this Article.

Section 5: Special Assessments.

- a. Unbudgeted Expenses. In addition to the assessments authorized in Section 1 of this Article, the Association may levy Special Assessments from time to time to cover unbudgeted expenses. Such Special Assessment may be levied against the entire membership, if such Special Assessment is for general Common Expenses, or against the Units within any Neighborhood, if such Special Assessment is for Neighborhood Expenses; provided, except as otherwise specifically provided in this Declaration, any Special Assessment shall have the affirmative vote or written consent of Voting Members representing at least fifty-one

percent (51%) of the total votes allocated to Units which will be subject to such Special Assessment, and the affirmative vote or written consent of the Class "B" Member, if such exist. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines.

- b. Costs to Cure Non-Compliance. The Association may levy a Special Assessment against any Unit or Neighborhood to reimburse the Association for costs incurred in Bringing the Unit or Neighborhood Association into compliance with the provisions of the Declaration, any applicable Supplemental Declaration, the Articles, the By-Laws, and the Association rules and regulations. Such Special Assessments may be levied upon the vote of the Board after notice to the Unit Owner or the senior officer of the Neighborhood Association, as applicable, and an opportunity for a hearing.

Section 6: Lien for Assessments. Upon recording of a notice of lien on any Unit, there shall exist a perfected lien for unpaid assessments prior and superior to all other liens, except (1) all taxes, bonds, assessments, and other levies which by law would be superior thereto including, but not limited to, assessments levied by a Neighborhood Association; and (2) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value.

Such lien, when delinquent, may be enforced by suit, judgment and judicial or non-judicial foreclosure in accordance with Michigan law, in the same manner as provided for the foreclosure of mortgages.

The Association, acting on behalf of the Owners, shall have the power to bid for the Unit at the foreclosure sale and to acquire, hold, lease, mortgage, and convey the unit. During the period in which a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf and (b) no assessment shall be levied on it. Suit to recover a money judgment for unpaid Common Expenses, interest, fines, costs, advances paid by the Association to protect its lien, and actual attorney's fees (not limited to statutory fees), and other costs, shall be maintainable against the Owner without foreclosing or waiving the lien securing the same.

Section 7: Date of Commencement of Assessments. The obligation to pay the assessments provided for herein shall commence as to each Unit upon the date of closing of the purchase of the Unit. The Declarant shall have the discretion to delay the commencement of such obligation until the date of the issuance of a building or occupancy permit for the Unit. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual assessment shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Unit.

Section 8: Subordination of the Lien to First Mortgages. The lien of assessments, including interest, fines, late payment charges, and other costs (including actual attorney's fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Unit. The sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to judicial or non-judicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from lien rights for any assessments thereafter becoming due.

Section 9: Failure to Assess. The omission or failure of the Board to fix the assessment amounts or rates or to deliver or mail to each Owner an assessment notice shall not be deemed a waiver, modification or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay annual assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association.

Section 10: Capitalization of Association. Upon acquisition of record title to a Unit by the first purchaser thereof, other than the Declarant, a Contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to one-sixth (1/6) of the annual Base Assessment per Unit for that year as determined by the Board. This amount shall be in addition to, not in lieu of, the annual Base Assessment levied on the Unit and shall not be considered an advance payment of any portion thereof. This amount shall be deposited into the closing escrow and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to the terms of this Declaration and the By-Laws.



Section 11: Exempt Property. Notwithstanding anything to the contrary herein, the following Properties shall be exempt from payment of Base Assessments, Neighborhood Assessments, and Special Assessments:

- a. All Common Area;
- b. All common elements of a Neighborhood Association; and
- c. All property dedicated to and accepted by any governmental authority or public or private utility, including without limitation sanitary sewer and water facilities, public streets, and public parks, if any.

Section 12: Unsuccessful Lawsuit by Owner. Any Owner bringing an unsuccessful lawsuit against the Association and/or its Board of Directors for the administration of the affairs of the Association, found to be consistent with the provisions contained in the Declaration and By-Laws, shall be chargeable for all expenses incurred by the Association, including actual attorney's fees (not limited to statutory fees) and other costs. Such expenses may be collected by the Association in the same manner as an assessment.

Section 13. Special Assessment Project. Each Owner, by the purchase of a Unit in the Properties, agrees to participate through the Association in any future special assessment project that is undertaken with the City of Tecumseh for the reasonable cost of snow plowing and ordinary maintenance, but not reconstruction, of the private streets serving Units in the Properties. The costs incurred by said special assessment project are to be equally assessed by the City against all Units in the Properties.

ARTICLE XI

ARCHITECTURAL STANDARDS

Section 1: General. No structure shall be placed, erected or installed upon any Unit, no construction (which term shall include within its definition staking, clearing, excavation, grading, and other site work), no exterior alteration or modification of existing improvements, and no plantings or removal of plants, trees or shrubs (other than as may be permitted in Article XII, Section 16, shall take place except in strict compliance with this Article, until the requirements below have been fully met, and approval of the appropriate committee has been obtained pursuant to Section 2 below.

All dwellings constructed on any portion of the Properties shall be designed by and built in accordance with the plans and specification of a licensed architect, residential designer or licensed residential builder.

This Article shall not apply to the activities of the Declarant, nor to construction or improvements or modification to the Common Area by or on behalf of the Association.

This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

Section 2: Architectural Review. Responsibility for administration of the Design Guidelines and review of all applications for construction and modifications under this Article shall be handled by two (2) committees, as described in subsections a and b of this Section 2. The members of the Committees need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board of Directors. The Board of Directors may establish reasonable fees to be charged by the committees on behalf of the Association for review of applications hereunder and may require such fees to be paid in full prior to review of any application.

- a. New Construction Committees. The New Construction Committee (NCC) shall consist of at least three (3), but not more than five (5), persons and shall have exclusive jurisdiction over all original construction on any portion of the Properties. Until one hundred percent (100%) of the Properties have been developed and conveyed to owners in the normal course of development and sale, the Declarant retains the right to appoint all members of the NCC who shall serve at the discretion of the Declarant. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board of Directors shall appoint the members of the NCC, who shall serve and may be removed at the discretion of the Board of Directors. The member of the NCC may include architects, engineers and other persons who are not members of the Association.

The NCC shall prepare and, on behalf of the Board of Directors, shall promulgate design and development guidelines governing construction

within the Properties, which shall include application and review procedures to be followed submitting an application for approval hereunder ("Design Guidelines"). The Design Guidelines shall be those of the Association, and the NCC shall have sole and full authority to modify and to amend them from time to time, without the consent of the Owners. The NCC shall make the Design Guidelines and procedures available to Owners, builders and developers who seek to engage in development of or construction upon all or any portion of the Properties and such Owners, builders and developers shall conduct their operations strictly in accordance with the design Guidelines. In the event that the NCC fails to approve or disapprove plans submitted to it, or to request additional information reasonably required, within thirty (30) days after submission, the plans shall be deemed approved; provided, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the NCC pursuant to Section 5 below.

In no event shall any Unit Owner have the right to impose liability on the Declarant or the Association, or otherwise contest judicially any decision of the Declarant or the Association (or alleged failure of the Declarant or the Association to make a decision) relative to the approval or disapproval of a site plan and building plans, or any aspect or other matter as to which the Declarant reserves the right to approve, disapprove or grant a variance with regard to under this Article XI. The approval by the Declarant or the Association of a site plan and building plans, or other matter shall not be construed as a representation or warranty that the site plan or building plans or other matter is in conformity with the zoning ordinances of the City of Tecumseh, if applicable, or building regulations of any other governmental authority. The Declarant or the Association specifically disclaims any obligation or duty to ascertain any such non-conformities or to advise a Unit Owner or any other person of the same, even if know to the Declarant or the Association.

- b. Modifications Committee. The Board of Directors may establish a Modifications Committee (MC) to consist of at least three (3) and no more than five (5) persons, all of whom shall be appointed by, and shall serve at the discretion of, the Board of Directors. Members of the MC may include architects or similar professionals who are not Members of the

Association. The MC, if established, shall have exclusive jurisdiction over modifications, additions or alterations made on or to existing Units or structures containing Units and the open space, if any, appurtenant thereto. Provided, however, the MC may delegate its authority as to a particular Neighborhood to the appropriate board or committee of any Neighborhood Association so long as the MC has determined that such board or committee has in force review and enforcement practices, procedures and appropriate standards at least equal to those of the MC. Such Delegation may be revoked and jurisdiction reassumed at any time by written notice. The NCC shall have the right to veto any action taken by the MC which the NCC determines, in its sole discretion to be inconsistent with the guidelines promulgated by the NCC. In the event that the MC fails to approve or to disapprove such plans or to request additional information reasonably required within thirty (30) days after submission, the plans shall be deemed approved; provided, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the MC pursuant to Section 5 below.

In no event shall any Unit Owner have the right to impose liability on the Declarant or the Association, or otherwise contest judicially any decision of the Declarant or the Association (or alleged failure of the Declarant or the Association to make a decision) relative to the Approval or disapproval of plans for modification, additions or alterations made on or to existing Units or structures containing Units and the open space, if any, appurtenant thereof, or an aspect or other matter as to which the Declarant deserves the right to approve, disapprove or grant a variance with regard to under this Article XI. The approval by the Declarant or the Association of plans for modification, additions or alterations made on or to existing units or structures containing Units and the open space, if any, appurtenant thereof, or other matter shall not be construed as a representation or warranty that the plans for modifications, additions or alterations made on or to existing Units or structures containing Units and the open space, if any appurtenant thereof, or other matter is in conformity with the zoning ordinances of the City of Tecumseh, if applicable or building regulations of any other governmental authority. The Declarant or the Association specifically disclaims any obligation or

duty to ascertain any such non-conformities or to advise a Unit Owner to any other person of the same, even if known to the Declarant or the Association.

Section 3: Guidelines and Procedures. The Declarant shall prepare the initial design and development guidelines and application and review procedures (the "Design Guidelines") which shall be applicable to all construction activities within the Lone Oak of Red Mill Pond Community. The Design Guidelines may contain general provisions applicable to all of the properties within the Lone Oak of Red Mill Pond Community, as well as specific provisions which vary from one (1) portion of such properties to another depending upon the location, unique characteristics and intended use thereof. The NCC, acting on behalf of the Board of Directors, shall adopt such Design Guidelines at its initial organizational meeting and, thereafter, shall have sole and full authority to amend the provisions thereof.

The NCC shall make the Design Guidelines available to Owners, builders and developers who seek to engage in development of or construction upon all or any portion of the Properties. In the discretion of the Declarant, such Design Guidelines may be filed with the Register of Deeds for Lenawee County, Michigan, in which event the recorded version, as it may unilaterally be amended from time to time by the NCC by recordation of amendments thereto, shall control in the event of any dispute as to which version of the Design Guideline is in effect at any particular time. All Owners, builder and developers shall conduct their activities strictly in accordance with the Design Guidelines.

Any amendments to the Design Guidelines adopted from time to time by the NCC in accordance with this Section shall apply to construction and modifications commenced after the date of such amendment only, and shall not apply to require modifications to or removal of structures previously approved by the NCC or MC once the approved construction or modification has commenced.

The MC may promulgate detailed application and review procedures and design standards governing its area of responsibility and practice; provided, any such standards shall be consistent with those set forth in the Design Guidelines. In addition, plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions or alterations, shall be submitted to the MC for approval as to quality of workmanship and design and as to harmony of external design with existing structures, and as to location in relation

to surrounding structures, topography and finished grade elevation. No permission or approval shall be required to repaint in accordance with originally approved color scheme, or to rebuild in accordance with originally approved plans and specifications.

Nothing contained herein shall be construed to limit the right of an Owner to remodel or redecorate the interior of structures comprising a Unit in any manner desired. However, modification or alterations to the interior of screened porches, balconies, decks, patios and similar portions of the Unit visible from outside the Unit shall be subject to approval. In the event that the MC fails to approve or to disapprove such plan within thirty (30) days after submission of all information and materials reasonably requested, the plans shall be deemed approved; provided, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the NCC or MC pursuant to Section 5 below.

Section 4: No Waiver of Future Approvals. The approval of either the NCC or MC of any proposals or plans and specification or drawing for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specification, drawings, or matters subsequently or additionally submitted for approval or consent.

Section 5: Variance. The NCC or MC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic, or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to the restrictions set forth in this Declaration; or (c) prohibit the NCC or MC Committee from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit or the terms of any financing shall not be considered a hardship warranting a variance.

Section 6: Limitation of Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and neither the NCC nor the MC shall bear any responsibility for ensuring the structural

integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board of Directors, any committee, or member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction on or modifications to any Unit.

Section 7: Enforcement. Any construction, alteration or other work done in violation of this Article shall be deemed to be nonconforming. Upon written request from the Board or the Declarant, Owners shall, at their own cost and expense, remove such construction, alteration or other work and shall restore the land to substantially the same condition as existed prior to the construction, alteration or other work. Should an Owner fail to remove and restore as required hereunder, the Board or its designees shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as existed prior to the construction, alteration or other work. All costs thereof, including actual attorney's fees (not limited to statutory fees) and other costs, together with the interest thereon at the maximum rate then allowed by law, may be assessed against the benefitted Unit and collected as a Special Assessment pursuant to Article X, Section 5.b. hereof.

Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded by the Board from the Properties, subject to the notice and hearing procedures contained in the By-Laws of the Association. In such event, neither the Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this paragraph.

In addition to the foregoing, the Board of Directors shall have the authority and standing, on behalf of the Association, to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the NCC and MC.

ARTICLE XII USE RESTRICTIONS

The Properties shall be used only for residential, recreational and related purposes, which may include, without limitation, offices for any property manager retained by the Association or business offices for the Declarant or the Association as may



more particularly be set forth in this Declaration, any Supplemental Declaration and amendments to either. Any Supplemental Declaration or additional covenants imposed on the properties within any Neighborhood may impose stricter standards than those contained in this Article. The Association, acting through its Board of Directors, shall have standing and the power to enforce such standards.

Section 1: Signs. No sign of any kind shall be erected within the Properties without the written consent of the Board of Directors, except entry and directional signs installed by Declarant. If permission is granted to any Person to erect a sign within the Properties, the Board reserves the right to restrict the size, color, lettering, and placement of such sign. The Board of Directors and the Declarant shall have the right to erect such signs as they, in their sole discretion, deem appropriate. Except as provided above, no signs, flags, banners, or similar items advertising or providing directional information with respect to activities being conducted within or outside the Properties shall be displayed or posted within the Properties.

Section 2: Parking and Prohibited Vehicles.

- a. Parking. Vehicles shall be parked only in the garages or in the driveways, if any, serving the Units or in appropriate spaces or designated areas in which parking may or may not be assigned. Vehicles shall be subject to such reasonable rules and regulations as the Board of Directors, or Neighborhood Association having concurrent jurisdiction over the parking areas within the Neighborhood, may adopt. The Declarant and/or the Association may designate certain on-street parking areas for visitors or guests subject to reasonable rules. There shall be no overnight parking of vehicles on the private streets without the approval of the Board of Directors. The City of Tecumseh has requested the Declarant to advise all Unit Owners that the parking lots for the adjacent Tecumseh United Methodist Church and Masonic Lodge are on private property and that no parking for Unit Owner shall be permitted.
- b. Prohibited Vehicles. Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, tractors, motor homes, mobile homes,

motorcycles, recreational vehicles, all-terrain vehicles, snowmobiles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers shall be parked only in enclosed garages. For purposes of this section, a vehicle shall be considered "stored" if it is put up on blocks or covered with a tarpaulin and remains on blocks or so covered for fourteen (14) consecutive days without the prior approval of the Board. Service and delivery vehicles may be parked in the Properties during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Unit or any other portion of the Properties. Any vehicle parked in violation of this Section or parking rules promulgated by the Board may be towed in accordance with Article III, Section 22 of the By-Laws.

Section 3: Occupants Bound. All provisions of the Declaration, any applicable Supplemental Declaration, By-Laws, and rules and regulations promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants, tenants, guests, and invitees of any Unit. Every Owner shall cause all occupants of his or her Unit to comply with the Declarations, any applicable Supplemental Declaration, By-Laws, and all the rules and regulations of the Association. Every Owner shall be responsible for all violations and losses to the Common Area caused by such occupants, notwithstanding the fact that such occupants of a Unit are fully liable and may be sanctioned for any violation of the Declaration, By-Laws and rules and regulations.

Section 4: Animals and Pets. No animals may be kept on any unit without the prior written consent of the Association, which, if given, may be revoked at any time by the Association except for (A) any combination of (2) two domestic dogs or domestic cats, and (B) any domestic animals other than dogs or cats that are completely confined within the residential dwelling on each Unit. No exotic, savage, or dangerous animal shall be kept on the Property, and no animal may be kept or bred for commercial purposes. Common household pets permitted under the provisions of this subsection shall be kept only in compliance with the rules and regulations promulgated by the Board of Directors from time to time and must at all times be kept under care and restraint so they are not obnoxious on account of noise, odor, or unsanitary conditions. No animal shall be permitted to run loose on the Common Elements or on any Unit except the Unit owned by the owner of the animal, and the owner of each pet shall be responsible for cleaning up after it.



Section 5: Quiet Enjoyment. All portions of a Unit outside of enclosed structures shall be kept in a clean and tidy condition at all times, and nothing shall be done, maintained, stored, or kept outside of enclosed structures on a Unit which, in the determination of the Board of Directors, causes an unclean, unhealthy or untidy condition to exist or is obnoxious to the senses. Nothing shall be done or maintained on any part of a Unit which emits foul or obnoxious odors outside the unit or creates noise or other conditions which tend to disturb the peace, quiet, safety, comfort, or serenity of the occupants and invitees of other Units. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of Properties.

No noxious, illegal or offensive activity, including smoking, where the smoke infiltrates and adjoining unit shall be carried on upon any portion of the Properties, which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or the occupants and invitees of other units. No outside burning of refuse, trash or similar materials shall be permitted within the Properties. No speaker, horn whistle, bell, or other sound device, except alarm devices used exclusively for security purposes, shall be installed or operated on any Unit. The use and discharge of firecrackers and other fireworks is prohibited within the Properties.

Section 6: Unsightly or Unkept Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Unit. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Properties. Notwithstanding the above, the disassembly and assembly of motor vehicles to perform repair work shall be permitted provided such activities are not conducted on a regular or frequent basis, and are either conducted entirely within an enclosed garage or, if conducted outside, are begun and completed within eight (8) hours.

Section 7: Antennas. No exterior antennas or aerials (exceeding twelve (12) feet in height) above the roof line on any structure, satellite dishes (larger than one (1) meter in diameter), or other apparatus for the transmission of television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained upon



any portion of the Properties, including any Unit, without the prior written consent of the Board of its designee, unless completely contained within the dwelling on the Unit so as not to be visible from outside the dwelling. Any such apparatus permitted by the Board or its designee must be screened from view of adjacent Units by an approved fence or other approved structure no more than six (6) feet in height. The Declarant and/or the Association shall have the right, without obligation, to erect or install an aerial, satellite dish, master antenna, cable system, or other apparatus for the transmission of television, radio, satellite, or other signals for the benefit of all or a portion of the Properties.

Section 8: Basketball Equipment, Clotheslines, Garbage Cans, Etc.

All basketball hoops and backboards, clotheslines, mechanical equipment, and other similar items on Units shall be located only in such locations within a unit as are approved in writing in advance pursuant to Article XI hereof. All rubbish, trash and garbage shall be stored inside garages in appropriate containers approved pursuant to Article XI hereof and shall regularly be removed from the Properties and shall not be allowed to accumulate.

Section 9: Subdivision of Unit and Time Sharing. No Unit shall be subdivided or its boundary lines be changed except with the prior written approval of the Board of Directors of the Association. Declarant, however, hereby expressly reserves the right to subdivide, change the boundary line of, and replat any Unit or Units owned by Declarant. Any such division, boundary line change, or re-platting shall not be in violation of the applicable governmental subdivision and zoning regulations.

No Unit shall be made subject to any type of timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Unit rotates among members of the program on a fixed or floating time schedule over a period of years.

Section 10: Firearms. The discharge of firearms within the Properties is prohibited. The term "firearms" includes "B-B" guns, pellet guns, paint ball guns, and other firearms of all types, regardless of size. Notwithstanding anything to the contrary contained herein or in the By-Laws, the Association shall not be obligated to take specific action to enforce this Section.

Section 11: Pools. The installation of swimming pools, whirlpools and spas on the Units shall be approved in writing in advance pursuant to Article XI hereof.

Section 12: Irrigation. No sprinkler or irrigation systems of any type which draw upon water from Red Mill Pond or other ground or surface waters within the Properties shall be installed, constructed or operated within the Properties, except that the Declarant and the Association shall have the right to draw water from such sources for the purpose of irrigating the Area of Common Responsibility. All Sprinkler and irrigation systems serving Units shall be subject to approval in accordance with Article XI of this Declaration.

Section 13: Tents, Mobile Homes and Temporary Structures. Except as may be permitted by the Declarant or the NCC during initial construction within the Properties, no tent, shack, mobile home, or other structure of a temporary nature shall be placed upon the Unit or any part of the Properties. The foregoing prohibition shall not apply to restrict the construction or installation of a single utility or similar outbuilding to be permanently located on a Unit, provided in receives the prior approval of the NCC or MC, as appropriate, in accordance with Article XI hereof. In addition, party tents or similar temporary structures may be erected for a limited period of time for special events with prior written approval of the Board.

Section 14: Public Water and Public Sewer. All improvements made within the Properties that require the use of potable water, including the private lawn irrigation systems, and sewage disposal shall be connected to the public water and public sewer operated by the City of Tecumseh.

Section 15: Drainage, Private Individual Wells and Septic Systems. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Declarant may obstruct or re-channel the drainage flows after the location and installation drainage swales, storm sewers or storm drains. Declarant hereby reserves for itself and the Association a perpetual easement across the Properties for the purpose of altering drainage and water flow. Private individual wells, septic tanks and drain fields are prohibited within the Properties. No Owner or occupant shall dump grass clippings, leaves or other debris, petroleum products, fertilizers or other potentially hazardous or toxic substances, in any drainage ditch, stream or pond within the Properties.

Section 16: Removal of Plants and Trees. No trees or shrubs except for those which are diseased or dead or create a safety hazard, shall be removed except in

strict compliance with the Design Guidelines and upon prior approval in accordance with Article XI of this Declaration. In the event of an intentional or unintentional violation of this Section, the violator may be required, by the committee having jurisdiction, to replace the removed tree with one (1) or more comparable trees in such locations, as such committee may determine necessary, in its sole discretion, to mitigate the damage.

Section 17: Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit a clear line of vision across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

Section 18: Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within the Properties, except for temporary lines as required during constructions and high voltage lines if required by law or for safety purposes.

Section 19: Air Conditioning Units. Except as may be permitted by the Association or its designee, no window air conditioning units may be installed in any Unit.

Section 20: Lighting. Except for traditional holiday decorative lights, which may be displayed between Thanksgiving and January 10 only, all exterior lights must be approved in accordance with Article XI of this Declaration.

Section 21: Artificial Vegetation, Exterior Sculpture and Similar Items. No artificial vegetation or permanent flagpoles shall be permitted on the exterior of any portion of the Properties. Temporary flagpoles shall be permitted to celebrate state and national holidays. No exterior sculpture, statuary, fountains, other decorative embellishments, or similar items shall be permitted unless approved in accordance with Article XI of this Declaration.

Section 22: Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any Unit unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the appropriate committee pursuant to Article XI hereof. No windmills, wind generators or other apparatus for generating power from the wind shall be erected or installed on any Unit.

Section 23: Wetlands and Other Water Bodies. All wetlands and detention basins within the Properties, if any, shall be aesthetic amenities only, and no other use thereof, including, without limitation, swimming, playing or use of personal flotation devices, shall be permitted without the prior approval of the Board of Directors. The Association shall not be responsible for any loss, damage or injury to any person or property arising out of the unauthorized or unauthorized use of detention basins within the Properties. Seasonal docks may be installed on units 4-25 in Lone Oak of Red Mill Pond Estates, subject to the ordinances of the City of Tecumseh and the rules and regulations of the Michigan Department of Natural Resources.

Section 24: Winter Activities. The operation of snowmobiles, motorcycles equipped for operation in the snow or other motorized vehicles on the Common Area of the Properties is prohibited. Ice-skating upon any detention basins within the Properties shall be prohibited. The Association shall not be responsible for any loss, damage or injury to any person or property arising out of the authorized or unauthorized use of Red Mill Pond which lies outside of the Properties.

Section 25: Playground. No jungle gyms, swing sets or similar playground equipment shall be erected or installed on any Unit outside of the building envelope without prior written approval of the Modifications Committee in accordance with Article XI hereof. Any playground or other play areas or equipment furnished by the Association or erected within the Properties shall be used at the risk of the user, and the Association shall not be held liable to any Person for any claim, damage or injury occurring thereon or related to use thereof.

Section 26: Fences. No hedges, walls, dog runs, animal pens, or fences of any kind shall be permitted on any Unit except as approved in accordance with Article XI of this Declaration.

Section 27: Business Use. No business, trade, family or group day care home, garage sale, moving sale, rummage sale, or similar activity may be conducted in or from any Unit, except that an Owner or occupant residing in a Unit may conduct legal business activities within the Unit as long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit; (b) the business activity conforms to all zoning requirements for the Properties; (c) the business activity does not involve regular visitation of the Unit by clients, customers, employees, suppliers, or other business invitees or door-

to-door solicitation of residents of the Properties; and (d) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider received a fee, compensation or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time; (b) such activity is intended to or does generate a profit; or (c) a license is required.

Notwithstanding the above, the leasing of a Unit shall not be considered a business or trade within the meaning of this Section. This Section shall not apply to any activity conducted by the Declarant or a builder approved in the Declarant with respect to its development and sale of the Properties or its use of any Units which it owns within the Properties.

Section 28: On-Site Fuel Storage. No on-site storage of gasoline, heating, or other fuels shall be permitted on any part of the Properties. However, up to five (5) gallons of fuel may be stored on each Unit for emergency purposes and operation of lawn mowers and similar tools or equipment. The Association shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment.

Section 29: Leasing of Units.

- a. Right to Lease. An Owner may lease his Unit and the improvements thereon for residential purposes as defined by the City of Tecumseh. No Owner shall lease less than an entire unit and the improvements thereon. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provision of this Declaration. An Owner 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 or otherwise agreeing to grant possession of a Unit to potential lessees or occupants and, at the same time, shall supply

the Association with a copy of the exact lease for its review for its compliance with this Declaration. The Owner shall also provide the Association with a copy of the executed lease. If no lease is to be used, then the Owner shall supply the Association with the name and address of the lessees or occupants, along with the rental amount and due dates of any rental or compensation payable to an Owner, the due dates of that rental and compensation, and the term of the proposed arrangement. The Declarant is exempt from these requirements and may lease any number of units and the improvements thereon in its discretion. No owner may lease a unit for less than a (12) twelve month period.

b. Leasing Procedures. The leasing of units and improvements thereon shall conform to the following provisions:

(1) Tenants and non-owner occupants shall comply with all of the conditions of this Declaration, and all leases and rental agreements shall so state.

(2) If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of this Declaration, the Association shall take the following action:

(a) The Association shall notify the Owner by certified or first-class mail, email or facsimile transmittal advising of the alleged violation by the tenant.

(b) The Owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

(c) If, after fifteen (15) days, the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Owners on behalf of the Association, if it is under the control of the Declarant, and action for eviction against the tenant or non-owner occupant and simultaneously for money damages in the same action against the Owner and tenant or non-owner occupant for breach of the conditions of this Declaration.



The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Owner liable for any damages to the Common Area caused by the Owner or tenant in connection with the Unit or the Red Mill Pond Community.

(3) When an Owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying an Owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant. Any tenant failing to make such payments after receiving written notice from the Association shall become personally liable for their payment to the Association and the Association may do the following:

- (a) Issue a statutory notice to quit for non-payment of rent to the tenant and shall have the right to enforce that notice by summary proceedings.
- (b) Initiate proceedings pursuant to subsection (2) (c) hereinabove.

Section 30: The Southern Michigan Railroad Society, Inc., Right-of-Way. The City of Tecumseh has requested the Developer to advise all owners that the right-of-way for the Southern Michigan Railroad Society, Inc., a Michigan non-profit corporation, the "Society", to the west of the Project is private property. . No entry of any nature other than by Construction Traffic, and emergency vehicles and personnel is permitted. No walking or biking, snowmobiles, motorcycles, or other vehicles are allowed within the area occupied by the tracks and the other property of the railroad. The Association is a party to a Crossing Easement Agreement recorded at Liber 2562, Page(s) 0326, 0327 of the Lenawee County Register of Deeds records, with the Society, which governs and restricts the use of the easement area, and all members of the Association are bound by the terms of said Agreement.

Section 31: Compliance with Governing Documents. Every Owner shall cause all occupants of his or her Unit to comply with the Declaration, By-Laws, any applicable

supplemental declaration, and the rules and regulations. Every Owner shall be responsible for all violations and losses to the Common Area caused by such occupants, notwithstanding the fact that such occupants of a Unit are fully liable and may be sanctioned for any such violation.

Section 32: Laws and Ordinances. Every Owner and occupant of any Unit, their guests and invitees, shall comply with all laws, statutes, ordinances, and rules of federal, state and municipal governments applicable to the Properties. Any violation may be considered a violation of this Declaration. Provided, the Board shall have no obligation to take specific action to enforce such laws, statutes, ordinances, and rules.

Section 33: Variances. The Declarant reserves the right, within its sole discretion, to grant variances from the restrictions in Article XII on a case by case basis for specific dwellings and uses, provided that such variances are consistent with the approved site plan and applicable ordinances of the City of Tecumseh.

ARTICLE XIII EASEMENTS

Section 1: Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Area due to the unintentional placement of settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary along a line perpendicular to such boundary, However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, an Owner, occupant or the Association.

Section 2: Easements for Utilities, Etc. There are hereby reserved unto Declarant, so long as the Declarant owns any property described on Exhibits "A" and "B" of this Declaration, the Association, and the designees of each (which may include, without limitation, the City of Tecumseh, Lenawee County, Michigan and any public utility) access and maintenance easements upon, across, over, and under all of the Properties to the extent reasonably necessary for the purpose of replacing, repairing, and maintaining cable television systems, master television antenna systems, security and similar systems, streets, walkways, bicycle pathways, ponds,

wetlands, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes. Telephone, cablevision, gas, and electricity, and for the purpose of installing any of the foregoing on property which it owns or within easements designated for such purposes on recorded plats or site plans of the Properties. Notwithstanding anything to the contrary herein, this easement shall not entitle the holders to construct or install any of the forgoing systems, facilities or utilities over, under or through any existing dwelling on a Unit, and any damage to a Unit resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of this easement shall not unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant thereof.

Without limiting the generality of the foregoing, there are hereby reserved for the local water and sanitary sewer treatment provider, cablevision company, electric company, telephone company, and natural gas supplier easements across the Common Area for ingress, egress, installation, reading, replacing, repairing and maintaining utility meters and boxes; provided, the exercise of this easement shall not extend to permitting entry into the dwelling on any Unit. Notwithstanding anything to the contrary contained in this Section, no sewers, cablevision lines, electrical lines, telephone lines, natural gas lines, water lines, or other utilities may be installed or relocated on the Properties, except as may be approved by the Association's Board of Directors or as provided by Declarant.

Each site condominium unit in the Properties is subject to a fifteen (15) foot wide private easement to the City of Tecumseh for the sewer lead, grinder pump station, if applicable, and electric line, located seven and one-half (7 ½) feet on each side of the sewer lead as constructed. Each site condominium unit in the Properties is also subject to a ten (10) foot wide private easement to the City of Tecumseh for the water lead connected to the public water system, located five (5) feet on each side of the water lead as constructed.

Section 3: Easements for Pond Maintenance. Declarant reserves for itself and its successors, assigns and designees the nonexclusive right and easement, but not the obligation, to enter upon the ponds, streams and wetlands located within the Area of Common Responsibility (a) to install, keep, maintain, and replace pumps thereon in order to provide water therefrom for the irrigation of any of the Area of Common Responsibility; (b) to construct, maintain and repair any bulkhead, wall, or other

structure retaining water therein; and (c) to remove trash and other debris therefrom and fulfill their maintenance responsibilities as provided in this Declaration. Declarant's rights and easements provided in this Section 3 shall be transferred to the Association at such time as Declarant shall cease to own any property subject to the Declaration, or such earlier time as Declarant may elect, in its sole discretion, to transfer such rights by a written instrument. The Declarant, the Association and their designees shall have an access easement over and across any of the Properties abutting or containing any portion of any of the ponds, streams or wetlands to the extent reasonably necessary to exercise their rights under this Section.

There is further reserved herein and hereby, for the benefit of Declarant, the Association and their designees, a perpetual, nonexclusive right and easement of access and encroachment over the Common Area and Units (but not the dwelling thereon) within established drainage easements in the Properties, in order: (a) to fill, drain, dredge, deepen, clean, fertilize, dye, and generally maintain the ponds, streams and wetlands within the Area of Common Responsibility; (b) to maintain and landscape the slopes and banks pertaining to such ponds, streams and wetlands; (c) to enter upon and across such portions of the Properties for the purpose of exercising its or their rights under this Section. All persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to heavy rainfall or other natural disasters.

Section 4: Easements to Serve Additional Property. The Declarant and its duly authorized agents, representatives and employees, as well as its successors, assigns, licensees, and mortgagees, shall have and there is hereby reserved an easement over the Common Area for the purposes of enjoyment, use, access, and development of the Additional Property described in Exhibit "B" attached hereto and by this reference incorporated herein, whether or not such Additional Property is made subject to this Declaration. However, such easement as it relates to Parcel 2 on Exhibit B (the Maves property) shall only exist if such property is owned and/or developed by the Declarant, its successors, assigns, or licensees. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of streets and for connecting and installing utilities on the Additional Property. Declarant agrees that it, its successors or assigns, shall be responsible for any damage caused to the Common Area as a result of vehicular



traffic connected with development of the Additional Property. Declarant further agrees that if the easement is exercised for permanent access to the Additional Property and such Additional Property or any portion thereof is not made subject to this Declaration, the Declarant, its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of maintenance of any access street serving the Additional Property. Such agreement shall provide for sharing of costs based on the ratio which the number of residential dwellings on that portion of the Additional Property which is served by the easement and is not made subject to this Declaration bears to the total number of residential dwellings within the Properties and on such portion of the Additional Property. The Declarant also reserves the right at any time and without the approval or consent of the Association, the Members, the Owners, any Mortgagee or any other Person or entity(all of whom shall be deemed to have irrevocably and unanimously consented to such amendment to these Declarations as may be necessary to effectuate such an easement), to grant an easement for emergency ingress and egress to Parcel 2 on Exhibit B (the Maves property)

Section 5: Right of Entry. The Association shall have the right, but not the obligation, to enter any Unit for emergency, security and safety reasons, to perform maintenance pursuant to Article V hereof, and to inspect for the purpose of ensuring compliance with this Declaration, the By-Laws, and Supplemental Declaration, and the rules and regulations of the Association, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after request by the Board.

ARTICLE XIV MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders of first Mortgages on Units in the Properties. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.



Section 1: Notices of Action. An institutional holder, insurer or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer or guarantor and the street address of the Unit to which its Mortgage related, therefore becoming an "Eligible Holder"), will be entitled to timely written notice of:

- a. Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Unit on which there is a first Mortgage held, insured or guaranteed by such Eligible Holder;
- b. Any delinquency in the payment of assessments or charges owed on a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days, or any other violation of the Declaration or By-Laws relating to such Unit or the Owner or occupant thereof which is not cured within sixty (60) days. Notwithstanding this provision, any holder of a first Mortgage, is entitled to written notice upon request from the Association of any default in the performance by an Owner of a Unit of any obligation under the Declaration or By-Laws which is not cured within sixty (60) days;
- c. Any lapse, cancellation or material modification of any insurance policy maintained by the Association; or
- d. Any proposed action which would require the consent of a specified percentage of Eligible Holders.

Section 2: Other Provisions for First Lien Holders. To the extent possible under Michigan law:

- a. Any restoration or repair of the Properties after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with this Declaration and the original plans and specifications unless the approval is obtained of the eligible holders of first Mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to Mortgages held by such eligible holders are allocated.

- b. Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the eligible holders of first Mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to Mortgages held by such eligible holders are allocated.

Section 3: Amendments to Documents. The following provisions do not apply to amendments to the constituent documents or termination of the Association made as a result of destruction, damage or condemnation pursuant to Section 2 a. and b. of this Article, or to the addition of land in accordance with Article IX.

- a. The consent of Voting Members representing at least sixty-seven percent (67%) of the Class "A" votes and of the Declarant, so long as it owns any land subject to this Declaration, and the approval of the eligible holders of first Mortgages on Units to which at least sixty-seven percent (67%) of the votes of Units subject to a Mortgage appertain, shall be required to terminate the Association.
- b. The consent of Voting Members representing at least sixty-seven percent (67%) of the Class "A" votes and of the Declarant, so long as it owns any land subject to this Declaration, and the approval of eligible holders of first Mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to a Mortgage appertain (where the security of the Mortgagee would be affected), shall be required to materially (determined as having a material adverse effect on the security of any Owner or Mortgagee) amend any provisions of the Declaration, By-Laws or Articles of Incorporation, or to add any material provisions thereto which establish, provide for, govern, or regulate any of the following:
 - (1) voting;
 - (2) assessments, assessment liens or subordination of such liens;
 - (3) reserves for maintenance, repair and replacement of the Common Area;
 - (4) insurance for fidelity bonds;
 - (5) rights to use the Common Area;

- (6) responsibility for maintenance and repair of the Properties;
- (7) expansion or contractions of the Properties or the addition, annexation or withdrawal of Properties to or from the Association;
- (8) leasing of Units;
- (9) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer or otherwise convey his or her Unit; or
- (10) any provisions included in the Declaration, By-Laws or Articles of Incorporation which are for the express benefit of holder, guarantors or insurers of first Mortgages on Unit.

Section 4: No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

Section 5: Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

Section 6: Amendment by Board. Should the Federal National Mortgage Association and any other secondary mortgage market lending institutions subsequently delete any of their respective requirements which necessitate an amendment to the provisions of this Article or make any such requirements less stringent the Board, without approval of the Owners, may record an amendment to this Article to reflect such changes.

Section 7: Applicability of Article XIV. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws or Michigan law for any of the acts set out in this Article.

Section 8: Failure of Mortgagee to Respond. Whenever a ballot requirement appears in this Declaration for the benefit of a mortgagee which requires a ballot in support of or against a proposal submitted by the Association, the mortgagee shall respond within ninety (90) days of mailing of said notice or the lack of response thereto shall be deemed as approval of the proposal.

**ARTICLE XV
DECLARANT'S RIGHTS**

Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the By-Laws may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in this Declaration or in the By-Laws, as applicable. Furthermore, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly filed with the Register of Deeds for Lenawee County, Michigan. Nothing in this Declaration shall be construed to require the Declarant or any successor to develop any of the property set forth in Exhibit "B" in any manner whatsoever.

Notwithstanding any provisions contained in this Declaration to the contrary, so long as construction and initial sales of Units shall continue, it shall be expressly permissible for the Declarant to maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient or incidental to the construction or sale of such Units, including, but not limited to, signs, model units, and sales offices. The Declarant and such designated builder(s) shall have easements for access to and use of such facilities. The right to maintain and carry on such facilities and activities shall include specifically, without limitation, the right to use Units owned by the Declarant as models and sales offices, respectively.

So long as the Declarant continues to have rights under this paragraph, no Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the public records.

This Article may not be amended without the express written consent of the Declarant. However, the rights contained in this Article shall terminate upon the earlier of (a) December 31, 2033, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.



**ARTICLE XVI
GENERAL PROVISIONS**

Section 1: Term. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Properties, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded. After such time the covenants and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by sixty-seven percent (67%) of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

Section 2: Amendment.

- a. **By Declarant.** Until termination of the Class "B" membership, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, the Declarant may unilaterally amend this Declaration if such amendment is (i) necessary to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Units; (iv) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Units; (v) otherwise necessary to satisfy the requirements of any governmental agency, or (vi) for any other purpose that has no material adverse effect upon any right of any Owner or Mortgagee, provided that the City of Tecumseh must give its advance written approval to an amendment that would adversely affect the open space or the terms of its approval of the site plan. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing. So long as the Declarant still owns property described in Exhibits "A" or "B" for development as part of the Properties, it may unilaterally amend this Declaration for any other

purpose, provided the amendment has no material adverse effect upon any right of any Owner.

- b. By Board of Directors. Thereafter and otherwise, this Declaration may be unilaterally amended by the Board of Directors of the Association if such amendment is (i) necessary to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Units; (iv) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Units; (v) otherwise necessary to satisfy the requirements of any governmental agency; (vi) or for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner or Mortgagee, and that any such amendment that would adversely affect the open space or the terms of the approved site plan has the advance written approval of the City of Tecumseh; provided, however, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing.
- c. By Owners. Thereafter and otherwise, this Declaration may be amended for the same reasons only by the affirmative vote or written consent, or any combination thereof, of Voting Members representing sixty-seven percent (67%) of the total Class "A" votes in the Association, including sixty-seven percent (67%) of the Class "A" votes held by Members other than the Declarant, and the consent of the Class "B" Member, so long as such membership exists. In addition, the approval requirements set forth in Article XIV hereof shall be met if applicable.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. To be

effective, any amendment must be filed with the Register of Deeds for Lenawee County, Michigan.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority so to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke or modify any right or privilege of the Declarant without the written consent of the Declarant or the assignee of such right or privilege.

Section 3: Severability. Invalidation of any provision or portion of a provision of this Declaration by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 4: Litigation. Except as otherwise specifically provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of sixty-seven percent (67%) of the Voting Members. In the case of such a vote, and notwithstanding anything contained in this Declaration or the Articles of Incorporation, or By-Laws to the contrary, a Voting Member shall not vote in favor of bringing or prosecuting any such proceeding unless authorized to do so by a vote of Owners holding sixty-seven percent (67%) of the total votes attributable to Units in the Neighborhood represented by the Voting Member. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article X; (c) proceedings involving challenges to ad valorem taxation; or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 5: Cumulative Effect; Conflict. The covenants, restrictions and provision of this Declaration shall be cumulative with those of any Neighborhood and the Association may, but shall not be required to, enforce the covenants, conditions and provision of any Neighborhood; provided, however, in the event of conflict between or among such covenants and restrictions, and provisions of any articles of incorporation, by-laws, rules and regulations, policies, or practices adopted or

carried out pursuant thereto, those of any Neighborhood shall be subject and subordinate to those of the Association. The foregoing priorities shall apply, but not be limited to, the liens for assessments created in favor of the Association.

Section 6: Use of the Words "Lone Oak of Red Mill Pond Community". No Person shall use the words "Lone Oak of Red Mill Pond Community" or any derivative in any printed or promotional material without the prior written consent of the Declarant. However, Owners may use the terms "Lone Oak of Red Mill Pond Community" in printed or promotional matter where such term is used solely to specify that particular property is located within Lone Oak of Red Mill Pond Community.

Section 7: Compliance. Every Owner and occupant of any Unit shall comply with all lawful provisions of this Declaration, the By-Laws and the rules and regulations of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association or, in a proper case, by any aggrieved Unit Owner or Owners. In addition, the Association may avail itself of any and all remedies provided in this Declaration or the By-Laws.

Section 8: Notice of Sale or Transfer of Title. In the event that any Owner desires to sell or otherwise transfer title to his or her Unit, such Owner shall give the Board of Directors at least Seven {7} days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board of Directors may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Unit coming due prior to the date upon which such notice is received by the Board of Directors including assessment obligations, notwithstanding the transfer of title to the Unit.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 4th day of February, 2019.

Witnesses:

LONE OAK PROPERTIES of RED MILL LLC
A Michigan limited liability company

Jessica Scudder

By:

Allen D. Roberts

Jessica Scudder

Member

ALLEN D. ROBERTS MEMBER



STATE OF MICHIGAN)
) ss
COUNTY OF LENA WEE)

On February 4, 2019, Allen D. Roberts appeared before me, and stated under oath that he is a Member of Lone Oak Properties of Red Mill LLC., a Michigan limited liability company, and that this document was signed on behalf of the limited liability company, by authority of its operating agreement, and he acknowledged this document to be the free act and deed of the limited liability company.

Jessica Scudder
Jessica Scudder, Notary Public
Lenawee County, Michigan
Acting in Lenawee County, Michigan
My commission expires September 2, 2023

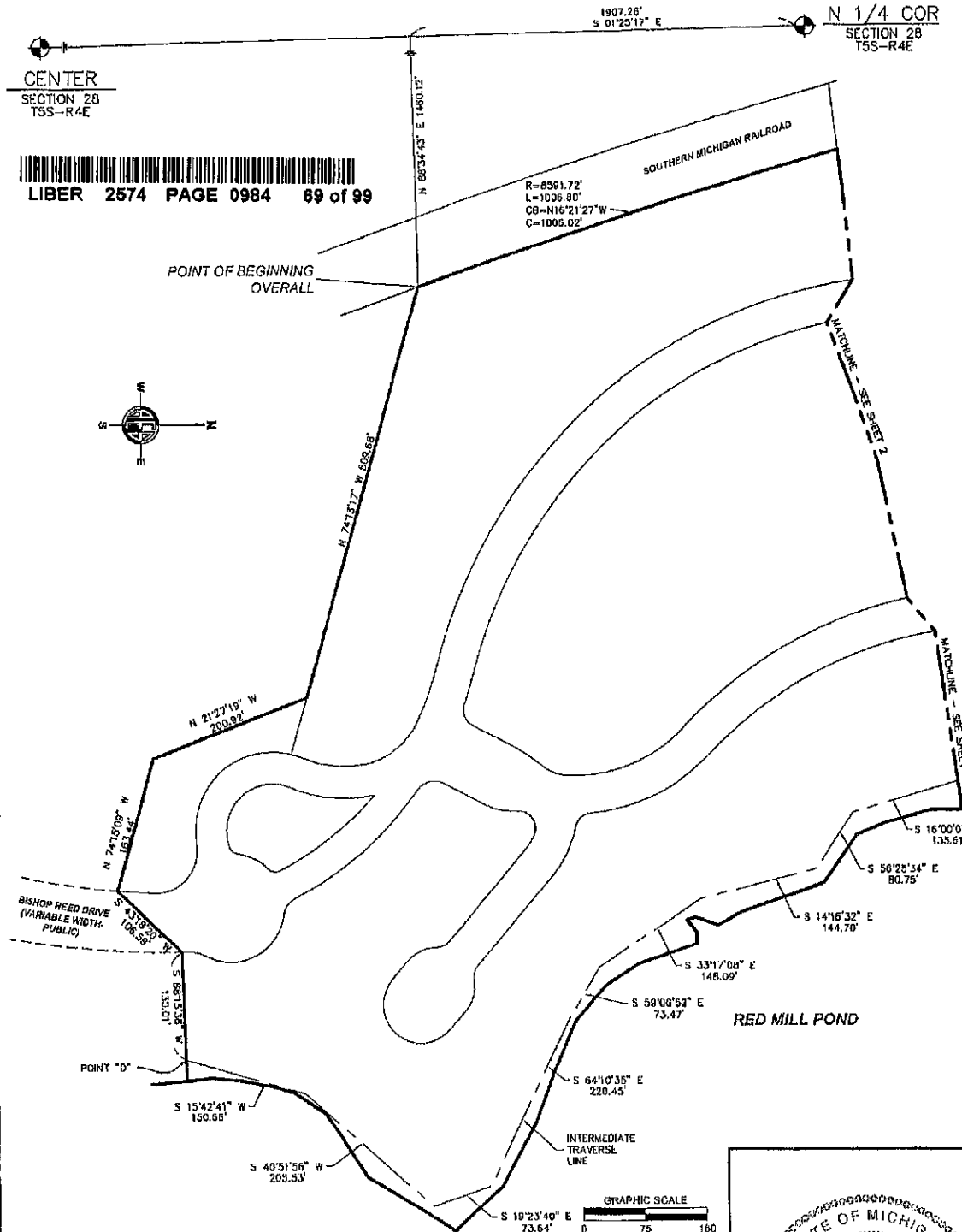
Prepared By.
ALLEN D. ROBERTS
PO BOX 400
TEECUMSEEC, MI 49286

EXHIBIT A
Lone Oak of Red Mill Pond Community
Property Description and Sketch



COMMUNITY EXHIBIT A

Combined Description of Roadway, Parks and Lone Oak of Red Mill Pond (Site Condominium) Property
 (Sheet 1 of 3)
 City of Tecumseh, Lenawee County, Michigan



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Drawn By	Checked By
jk	kp

STATE OF MICHIGAN
 KEVIN L. PICKFORD
 PROFESSIONAL SURVEYOR
 NO. 46682
 LICENSED PROFESSIONAL SURVEYOR

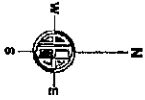
Kevin L. Pickford
 Professional Surveyor No. 46682

FOR: Lone Oak Properties of Red Mill, LLC	JOB No.: 170518
SCALE: 1 inch = 150 feet	DATE: December 17, 2018

Associated Engineers & Surveyors, Inc.
 237 N. Main Street, Adrian, Michigan 49221
 Civil Engineers - Land Surveyors
 SHEET 1 OF 3 Phone: (617) 263-4515 Fax: (517) 263-4536

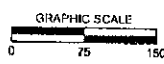
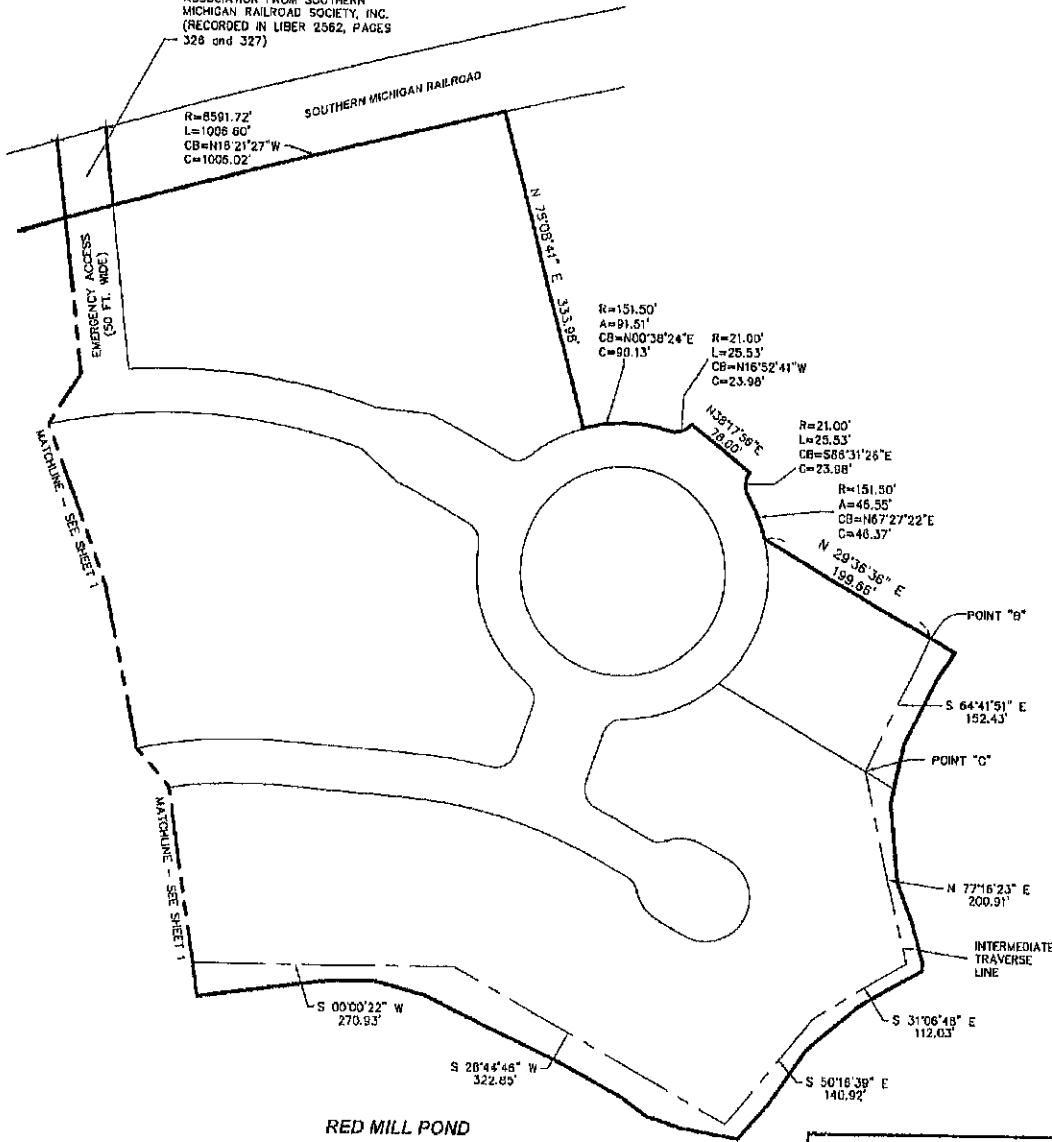
SKETCH OF DESCRIPTION

Combined Description of Roadway, Parks and Lone Oak of Red Mill Pond (Site Condominium) Property
 (Sheet 2 of 3)
 City of Tecumseh, Lenawee County, Michigan



LIBER 2574 PAGE 0984 70 of 99

CONSTRUCTION AND EMERGENCY
 ACCESS EASEMENT
 TO LONE OAK COMMUNITY
 ASSOCIATION FROM SOUTHERN
 MICHIGAN RAILROAD SOCIETY, INC.
 (RECORDED IN LIBER 2562, PAGES
 328 and 327)



Drawn By	Checked By
jk	kp

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FOR: Lone Oak Properties of Red Mill, LLC	JOB No.: 170518
SCALE: 1 Inch = 150 feet	DATE: December 17, 2018

Associated Engineers & Surveyors, Inc.
 237 N. Main Street, Adrian, Michigan 49221
 Civil Engineers - Land Surveyors
 SHEET 2 OF 3 Phone: (517) 263-4515 Fax: (517) 263-4535

STATE OF MICHIGAN
 KEVIN L. PICKFORD
 PROFESSIONAL SURVEYOR
 NO. 46682
 LICENSED PROFESSIONAL SURVEYOR

Kevin L. Pickford
 Kevin L. Pickford
 Professional Surveyor No. 46682

SKETCH OF DESCRIPTION

Combined Description of Roadway, Parks and Lone Oak of Red Mill Pond (Site Condominium) Property
 (Sheet 3 of 3)
 City of Tecumseh, Lenawee County, Michigan

DESCRIPTION:
 Lone Oak of Red Mill Pond
 City Of Tecumseh, Lenawee County, Michigan

All that part of the Northeast ¼, Section 28, Town 5 South, Range 4 East, described as beginning on the easterly right of way of the Southern Michigan Railroad 1907.26 feet South 01° 25' 17" East and 1450.12 feet North 88° 34' 43" East from the North ¼ corner of Section 28 aforesaid; thence along the said Easterly right of way of the Southern Michigan Railroad along the arc of a 8591.72 foot radius curve right 1006.60 feet (chord bearing and distance being North 16° 21' 27" West 1006.02 feet); thence North 75° 08' 41" East 333.98 feet; thence along the arc of a 151.50 foot radius curve right 91.51 feet (chord bearing and distance being North 00° 38' 24" East 90.13 feet); thence along the arc of a 21.00 foot radius curve left 25.53 feet (chord bearing and distance being North 16° 52' 41" West 23.98 feet); thence North 38° 17' 56" East 78.00 feet; thence along the arc of a 21.00 foot radius curve left 25.53 feet (chord bearing and distance being South 86° 31' 26" East 23.98 feet); thence along the arc of a 151.50 foot radius curve right 46.55 feet (chord bearing and distance being North 67° 27' 22" East 46.37 feet); thence North 29° 36' 36" East 199.66 feet to a point known hereafter as Point "B"; thence along an intermediate traverse line along the shoreline of Red Mill Pond South 64° 41' 51" East 152.43 feet to a point known hereafter as Point "C"; thence continuing along said intermediate traverse line North 77° 16' 23" East 200.91 feet and South 31° 06' 48" East 112.03 feet and South 50° 16' 39" East 140.92 feet and South 28° 44' 46" West 322.85 feet and South 00° 00' 22" West 270.93 feet and South 16° 00' 07" East 135.61 feet and South 56° 25' 34" East 80.75 feet and South 14° 16' 32" East 144.70 feet and South 33° 17' 08" East 148.09 feet and South 59° 06' 52" East 73.47 feet and South 64° 10' 35" East 220.45 feet and South 19° 23' 40" East 73.64 feet and South 40° 51' 56" West 205.53 feet and South 15° 42' 41" West 150.66 feet to a point known hereafter as Point "D"; thence leaving said intermediate traverse line South 88° 15' 36" West 130.01 feet; thence South 43° 18' 20" West 106.59 feet along the northerly line of Bishop Reed Drive; thence North 74° 15' 09" West 163.44 feet; thence North 21° 27' 19" West 200.92; thence North 74° 13' 17" West 509.68 feet to the point of beginning. Parcel lines extend from said Point "B" North 29° 36' 36" East to the water's edge of Red Mill Pond and also from said Point "D" North 88° 15' 36" East to the water's edge of Red Mill Pond.

LIBER 2574 PAGE 0984 71 of 99

Drawn By	Checked By
jk	kp

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FOR: Lone Oak Properties of Red Mill, LLC	JOB No.: 170518
SCALE: 1 inch = 160 feet	DATE: December 17, 2018

Associated Engineers & Surveyors, Inc.
 237 N. Main Street, Adrian, Michigan 49221
 Civil Engineers - Land Surveyors
 Phone: (517) 263-4515 Fax: (517) 263-4535

STATE OF MICHIGAN
 KEVIN L. PICKFORD
 PROFESSIONAL SURVEYOR
 NO. 46682
 LICENSED PROFESSIONAL SURVEYOR

Kevin L. Pickford
 Kevin L. Pickford
 Professional Surveyor No. 46682

EXHIBIT B

Lone Oak of Red Mill Pond Community

Land Subject to Annexation

Property Description and Sketch

EXHIBIT B LAND SUBJECT TO ANNEXATION
REMAINDER PARCEL

Description of Remainder Parcel
City of Tecumseh, Lenawee County, Michigan

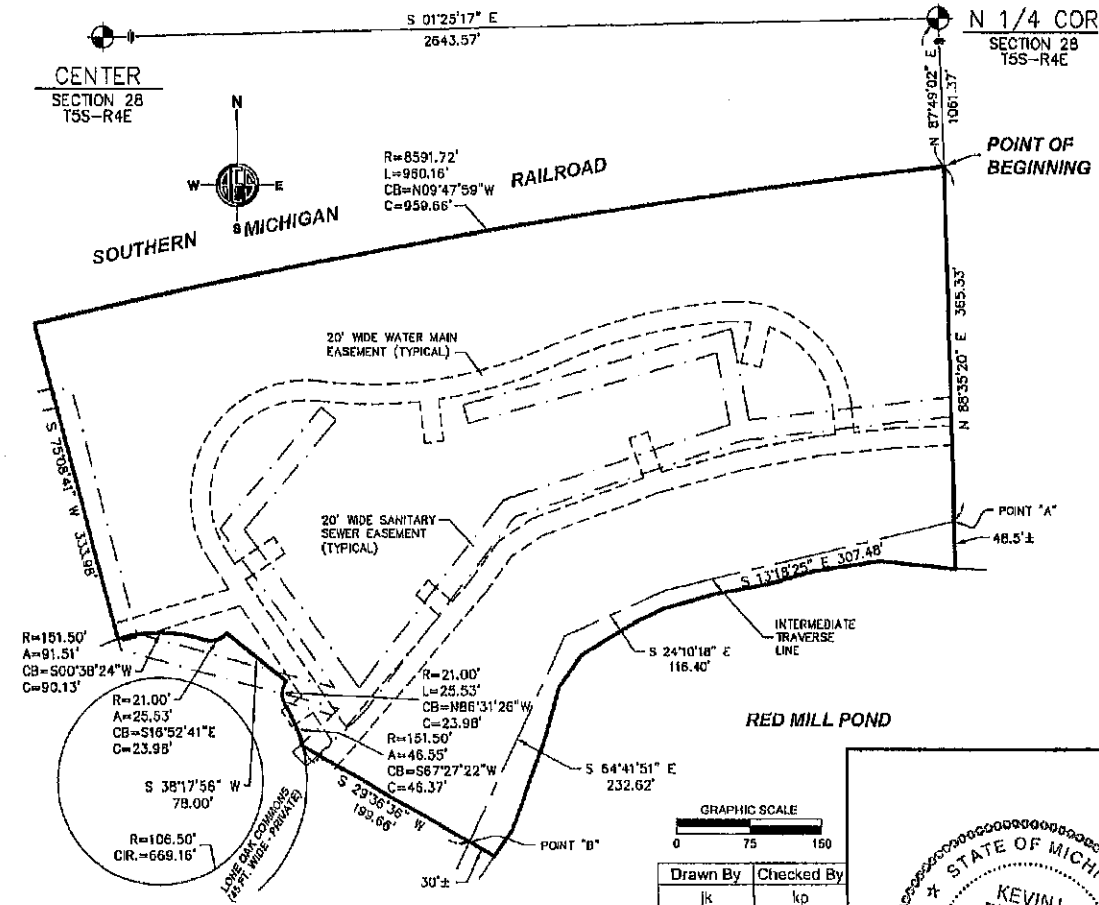
All that part of the Northeast 1/4, Section 28, Town 5 South, Range 4 East, described as beginning on the easterly right of way of the Southern Michigan Railroad 1061.37 feet N 87° 49' 02" E from the North 1/4 corner of Section 28 aforesaid, thence N 88° 35' 20" E 365.33 feet to a point known hereafter as Point "A"; thence along an intermediate traverse line along the shoreline of Red Mill Pond S 13° 18' 25" E 307.48 feet; thence S 24° 10' 18" E 116.40 feet; thence S 64° 41' 51" E 232.62 feet to a point known hereafter as Point "B"; thence leaving said intermediate traverse line S 29° 36' 36" W 199.66 feet; thence along the arc of a 151.50 foot radius curve left 46.55 feet (chord bearing and distance being S 67° 27' 22" W 46.37 feet); thence along the arc of a 21.00 foot radius curve right 25.53 feet (chord bearing and distance being N 86° 31' 26" W 23.98 feet); thence S 38° 17' 56" W 78.00 feet; thence along the arc of a 21.00 foot radius curve right 25.53 feet (chord bearing and distance being S 16° 52' 41" E 23.98 feet); thence along the arc of a 151.50 foot radius curve left 91.51 feet (chord bearing and distance being S 00° 38' 24" W 90.13 feet); thence S 75° 08' 41" W 333.98 feet; thence along said easterly right of way of the Southern Michigan Railroad along the arc of a 8591.72 foot radius curve right 960.16 feet (chord bearing and distance being N 09° 47' 59" W 959.66 feet) to the point of beginning. Parcel lines to extend from said Point "A" N 88° 35' 20" E to the water's edge of Red Mill Pond and also from said Point "B" N 29° 36' 36" E to the water's edge of Red Mill Pond. Subject to easements and restrictions of record, if any. Containing 8.99 acres within the closed traverse and approximately 0.35 acres between the water's edge and the traverse line for a total of 9.34 acres more or less.

Together with an easement for the purposes of ingress and egress, but not the exclusive use thereof as described as Lone Oak - Roadway on Page 13 of the Lone Oak of Red Mill Pond Site Condominium documents.

Subject to all easements and restrictions of record, if any.



LIBER 2674 PAGE 0984 73 of 99



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FOR: Lone Oak Properties of Red Mill, LLC	JOB No.: 170518
SCALE: 1 Inch = 150 feet	DATE: December 6, 2018



Associated Engineers & Surveyors, Inc.

237 N. Main Street, Adrian, Michigan 49221
Civil Engineers - Land Surveyors
Phone: (517) 263-4515 Fax: (517) 263-4535

Drawn By	Checked By
jk	kp

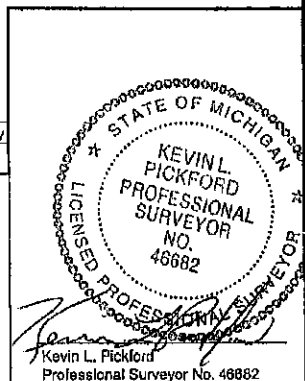


EXHIBIT "B"
LAND SUBJECT TO ANNEXATION
MAVES LAND

PROPERTY LOCATED IN THE CITY OF TECUMSEH, LENAWEE COUNTY, MICHIGAN,
DESCRIBED AS FOLLOWS:

That part of the South ½, Section 21 described as commencing on south line of said section at a point located 1061.22 feet S 89°26'30" E from the South ¼ corner and running thence northwesterly along the easterly right of way of the Southern Michigan Railroad on a chord bearing and distance of N 4°25'50" W 300.77 feet; thence northerly along a 8591.72 foot radius curve right an arc distance of 603.32 feet (chord bearing and distance being N 1°6'18" W 603.20 feet); thence continuing along said easterly line of railroad N 0°5'6" E 380.61 feet; thence S 87°50' E to the westerly line of the Raisin River; thence southerly along said river to intersection of said line with the south line of said section; thence westerly along said line to the point of beginning, 23.85 acres, Town 5 South Range 4 East, City of Tecumseh.

EXHIBIT "C"
BY-LAWS
OF
LONE OAK of RED MILL POND COMMUNITY ASSOCIATION

LONE OAK of RED MILL POND COMMUNITY
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EXHIBIT "C"

BY-LAWS
OF
LONE OAK of RED MILL POND COMMUNITY ASSOCIATION

ARTICLE I

Name, Principle Office, and Definitions

Section 1. Name. The name of the Association shall be Lone Oak of Red Mill Pond Community Association (hereinafter sometimes referred to as the "Association").

Section 2. Principle Office. The principal office of the Association in the State of Michigan shall be located in Lenawee County. The Association may have such other offices, either within or outside the State of Michigan, as the Board of Directors may determine or as the affairs of the Association may require.

Section 3. Definitions. The words used in these By-Laws shall have the same meaning as set forth in that Declarations of Covenants, Conditions and Restrictions for the Lone Oak of Red Mill Pond Community (said Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless the context shall prohibit.

ARTICLE II

Association: Membership, Meetings, Quorum, Voting, Proxies

Section 1. Membership. The Association shall have two (2) classes of membership, Class "A" and Class "B", as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors either within the Properties or as convenient thereto as possible and practical.

Section 3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. Meetings shall be of the Voting Members or their alternates. Subsequent regular annual meetings shall be set by the Board so

as to occur at least once each fiscal year on a date and at a time set by the Board of Directors.

Section 4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Voting Members representing as least ten percent (10%) of the total Class "A" votes of the Association. The notice of any special meeting shall state the date, time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of the Voting Members shall be delivered, either personally or by first class mail, to each Voting Member entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Voting Member at his address as it appears on the records of the Association, with postage thereon prepaid.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the Voting Members shall be deemed the equivalent of proper notice. Any Voting Member may, in writing, waive notice of any meeting of the Voting Members, either before or after such meeting. Attendance at a meeting by a Voting Member or alternate shall be deemed waiver by such Voting Member of notice of the time, date and place thereof, unless such Voting Member specifically objects to the lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objections to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Voting Members who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is

present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Voting Members in the manner prescribed for regular meetings.

The voting Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Voting Members to leave less than a quorum, provided that Voting Members or their alternates representing at least twenty percent (20%) of the total Class "A" votes of this Association remain in attendance, and provided further that any action taken is approved by at least a majority of the Members required to constitute a quorum.

Section 8. Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein.

Section 9. Proxies. Voting Members may vote by proxy, absentee ballot, in person or through their designated alternates.

Section 10. Majority. As used in these By-Laws, the term "majority" shall mean those votes, owners or other group as the context may indicate totaling more than fifty percent (50%) of the total number.

Section 11. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person, by proxy, by absentee ballot or by alternate of the Voting Members representing thirty percent (30%) of the total vote of the Association shall constitute a quorum at all meetings of the Association. If a quorum shall not be present at any meeting, the members present may adjourn the meeting for not more than thirty (30) days, and the quorum for said rescheduled meeting shall be one-half (1/2) of that required at the preceding meeting. Any provision in the Declaration concerning quorums is specifically incorporated herein.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Section 13. Action Without a Meeting. Any action required or permitted to be taken at an annual meeting of members may be taken without a meeting, without

prior notice an without a vote, if a consent in writing, setting forth the action so taken, is signed by members having no less than the minimum number of votes that would be necessary to authorize or take the action at a meeting which all members entitled to vote therein were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to members who have not consented in writing.

ARTICLE III

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

Section 1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) vote. Except with respect to directors appointed by the Class "B" Member, the directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of an owner which is a corporation or partnership, the person designated in writing to the Secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a director.

Section 2. Directors During Class "B" Control Period. Subject to the provisions of Section 6 below, the directors shall be selected by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member until the first to occur of the following:

- a. when seventy-five percent (75%) of the Units permitted by the Master Plan for the property described on Exhibits "A" and "B" of the Declaration have certificates of occupancy issued thereon and have been conveyed to Persons other than the Declarant or builders holding title solely for purposes of development and sale;
- b. December 31, 2050; or
- c. when, in its discretion, the Class "B: Member so determines.

Section 3. Right to Disapprove Actions. This Section 3 may not be amended without the express, written consent of the Class "B" Member as long as the Class "B" membership exists.

So long as the Class "B" membership exists, the Class "B" Member shall have a right to disapprove actions of the Board and any committee, as is more fully



provided in this Section. This right shall be exercisable only by the Class "B" Member, its successors and assigns who specifically take this power in a recorded instrument. The right to disapprove shall be as follows:

No action authorized by the Board of Directors or any committee shall become effective, nor shall any section, policy or program be implemented until and unless:

- a. The Class "B" Member shall have been given written notice of all meetings and proposed actions approved at meetings of the Board or any committee thereof by certified or registered mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice complies as to the Board of Directors meetings with Article III, Sections 8, 9 and 10, of these By-Laws and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and
- b. The Class "B" Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy or program to be implemented by the Board, any committee thereof or the Association. The Class "B" Member, its representatives or agents shall make its concerns, thoughts and suggestions known to the members of the subject committee and/or the Board. The Class "B" member shall have and is hereby granted a right to disapprove any such action, policy or program authorized by the Board of Directors or any committee thereof and to be taken by the Board, such committee, the Association, or any individual member of the Association, if Board, committee or Association approval is necessary for such action. This right may be exercised by the Class "B" Member, its representatives or agent at any time within ten (10) days following the meeting held pursuant to the terms and provisions hereof. This right to disapprove may be used to block proposed actions but shall not extend to the requiring of any actions or counteractions on behalf of any committee, or the Board or the Association. The Class "B" Member shall not use its right to disapprove to reduce the level of services which the Association is

obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

Section 4. Number of Directors. The number of directors in the Association shall be not less than three (3) nor more than seven (7), as provided in Section 6 below. The initial Board shall consist of three (3) members appointed by Declarant.

Section 5. Nomination of Directors. Except with respect to directors selected by the Class "B" Member, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three (3) or more Members of the Association, with at least one (1) representative from each Voting Group. The Nominating committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Voting Members to serve a term on one (1) year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled. The Nominating Committee shall nominate separate slates for the directors to be elected at large by all Voting Members, and for the director(s) to be elected by and from each Voting Group. Nominations for each slate shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Voting Member and to solicit votes.

Section 6. Nomination of Directors. Notwithstanding any other provision contained herein:

- a. Within thirty (30) days after the time Class "A" Members, other than the Declarant or a builder holding title solely for purposes of development and sale, own twenty-five percent (25%) of the sixty-five (65) units permitted by the site plan for the property or whenever the Class "B" Member earlier determines, the Association shall call a special meeting at which Voting Members representing the Class "A" Members shall elect one (1) of the three (3) directors, who shall be an at-large director. The remaining two (2) directors shall be appointees of the Class "B" Member. The director elected by the Voting Members shall not be subject to removal by the Class "B" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in subsection b. below, whichever is shorter. If such

director's term expires prior to the happening of the event described in subsection b. below, a successor shall be elected for a like term.

- b. Within thirty (30) days after the time Class "A" Members, other than the Declarant or a builder holding title solely for purposes of development and sale, own fifty percent (50%) of the sixty-five (65) Units permitted by the site plan for the property, or whenever the Class "B" Member earlier determines, the Board shall be increased to five (5) directors. The Association shall call a special meeting at which Voting Members representing the Class "A" Members shall elect two (2) of the five (5) directors, who shall serve as at-large directors. The remaining three (3) directors shall be appointees of the Class "B" Member. The directors elected by the Voting Members shall not be subject to removal by the Class "B" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in subsection c. below, whichever is shorter. If such directors' terms expire prior to the happening of the event described in subsection c. below, successors shall be elected for a like term.
- c. Within thirty (30) days after termination of the Class "B" Control Period, the Association shall call a special meeting at which Voting Members representing the Class "A" Members shall elect three (3) of the five (5) directors, who shall serve as at-large directors. The remaining two (2) directors shall be appointees of the Class "B" Member. The directors elected by the Voting Members shall not be subject to removal by the Class "B" Member acting alone and shall serve until the first annual meeting following the termination of the Class "B" Control Period. If such annual meeting occurs within thirty (30) days after termination of the Class "B" Control Period, this subsection shall not apply and directors shall be elected in accordance with subsection d. below.
- d. At the first annual meeting of the membership after the termination of the Class "B" Control Period, the Board shall be increased to seven (7) directors and the directors shall be selected as follows: Initially, Seven (7) directors shall be elected by the Voting Members representing both Class "A" and Class "B" Members, with an equal number of directors to be elected by the Voting Members representing the Owners of units in each condominium project within the association, and the remaining director(s) to be elected at-large by all Voting Members. Four (4)

directors shall be elected for a term of two (2) years and three (3) directors shall be elected for a term of one (1) year. At the expiration of the initial term of office of each member of the Board of Directors and at each annual meeting thereafter, a successor shall be elected to serve for a term of two (2) years.

Each Voting Member shall be entitled to cast one (1) vote with respect to each vacancy to be filled from each slate on which such Voting Member is entitled to vote. There shall be no cumulative voting. The candidate(s) receiving the most votes shall be elected. The directors elected by the Voting Members shall hold office until their respective successors have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

Section 7. Removal of Directors and Vacancies. Any director elected by the Voting Members may be removed, with or without cause, by the vote of Voting Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. A director who was elected at large solely by the votes of Voting Members other than the Declarant may be removed from office prior to the expiration of his or her term only by the votes of majority of Voting Members other than the Declarant. Upon removal of a director, a successor shall then and there be elected by the Voting Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

Any director elected by the Voting Members who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment or other charge due the Association for more than (30) days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. In the event of the death, disability or resignation of a director, a vacancy may be declared by the Board, and it may appoint a successor. Any director appointed by the Board shall be selected from the Voting Group represented by the director who vacated the position and shall serve for the remainder of the term of such director.

B. Meetings.

Section 8. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the time and place of the meeting shall be communicated to directors not less than seven (7) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by any three (3) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one (1) of the following methods; (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; (d) by confirmed facsimile, with a copy served by first class mail; (e) by telegram, charges prepaid; or (f) by email. All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least seven (7) days before the time set for the meeting. Notices given by personal delivery, telephone, facsimile, telegraph, or email shall be delivered, telephoned, faxed, emailed or given to the telegraph company at least ninety-six (96) hours before the time set for the meeting.

Section 11. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any

director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 12. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 13. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by Voting Members representing a majority of the total Class "A" vote of the Association at a regular or special meeting of the Association; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.

Section 14. Conduct of Meetings. The president shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 15. Open Meetings. Subject to the provisions of Section 16 of this Article, all meetings of the Board shall be open to all Voting Members, but Voting Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Voting Member may speak. Notwithstanding the above, the President may adjourn any meeting of the Board of Directors and reconvene in executive session, excluding Voting Members, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc.

Section 16. Action Without a Formal Meeting. Any action required to be taken at a meeting of the directors may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by directors having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all directors entitled to vote therein were present and voted. Prompt notice of the taking of a corporate action without a meeting by less than unanimous written consent shall be given to directors who have not consented in writing.

C. Powers and Duties.

Section 17. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do or cause to be done all acts and things as are not by the Declaration, Articles or these By-Laws directed to be done and exercised exclusively by the Voting Members or the membership generally.

The Board of Directors shall delegate to one (1) of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by the Articles of Incorporation, these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to establish policies relating to, and shall be responsible for performing or causing to be performed, the following, in way of explanation, but not limitation:

- a. preparation and adoption, in accordance with Article X of the Declaration, of annual budgets in which there shall be established the contribution of each Owner to the Common Expenses and Neighborhood Expenses;
- b. making assessments to defray the Common Expenses and Neighborhood Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment; provided, unless otherwise determined by the Board of Directors, the annual assessment for each Unit's proportionate share of the Common Expenses shall be payable annually, with each

such payment to be due and payable in advance on the first day of January each year;

- c. providing for the operation care, upkeep, and maintenance of all of the Area of Common Responsibility;
- d. designating, hiring and dismissing the personnel necessary for the operation of the Association and the maintenance, operation, repair, and replacement of its property and the Area of Common Responsibility and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- e. collecting the assessments and imposing late payment fees, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to operate the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;
- f. opening of bank accounts on behalf of the Association and designating the signatories required;
- g. making and amending rules and regulations;
- h. making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Declaration and these By-Laws after damage or destruction by fire or another casualty;
- i. enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it an bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;
- j. obtaining and carrying insurance against casualties and liabilities, as proved in the Declaration, and paying the premium cost thereof;
- k. paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;
- l. keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expense incurred;

- m. making available for a reasonable fee to any prospective purchaser of a Unit, any Owner of a Unit, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Unit, current copies of the Declaration, the Articles of Incorporation, the By-Laws; rules governing the Unit and all other books, records and financial statements of the Association; and
- n. permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties.

Section 18. Management. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws, other than the powers set forth in subparagraphs a., b., f., g., and i. of Section 17 of this Article. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager. Any agreement or contract for professional management shall provide that such management contract may be terminated by either party without cause or payment of a termination fee on thirty (30) days written notice and that the term thereof shall not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods.

Section 19. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise;

- a. Accrual accounting, as defined by generally accepted accounting principles, shall be employed;
- b. Accounting and controls should conform to generally accepted accounting principles;
- c. Cash accounts of the Association shall not be commingled with any other accounts;
- d. No remuneration shall be accepted by the managing agent from vendors, independent contractors or others providing goods or services to the Association, whether in the form of commissions, finder's fees,



service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association;

- e. Any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;
- f. Commencing at the end of the month in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:
 - (1) An income statement reflecting all income and expense activity for the preceding period on an accrual basis;
 - (2) A statement reflecting all cash receipts and disbursements for the preceding period;
 - (3) A variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;
 - (4) A balance sheet as of the last day of the preceding period; and
 - (5) A delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (any assessment or installment thereof shall be considered to be delinquent on the fifteenth (15th) day following the due date unless otherwise determined by the Board of Directors)
- g. An annual report consisting of at least the following shall be distributed to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) and operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited or reviewed basis, as determined by the Board, by an independent public accountant; provide, upon written request of any holder, guarantor or insurer of any first Mortgage on a Unit, and receipt of payment for any additional expenses incurred, the Association shall provide an audited financial statement. During the Class "B" Control Period, the annual report shall include certified financial statements.

Section 20. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair or restoration of the Area of Common Responsibility without the approval of the Voting Members of the Association. The Board shall also have the power to borrow money for other purposes; provided in Article X, Section 5, of the Declaration for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving or adding amenities and the total amount of such borrowing exceeds or would exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year. Notwithstanding anything to the contrary contained in the Declaration, these By-Laws or the Articles of Incorporation, during the Class "B" Control Period, no Mortgage lien shall be placed on any portion of the Common Area without the affirmative vote of written consent, or any combination thereof, of Voting Members representing at least fifty-one percent (51%) of the Members other than the Declarant and the Declarant's nominees.

Section 21. Rights of the Association. With respect to the Area of Common Responsibility, and in accordance with the Articles of Incorporation and the Declaration, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the forgoing, this right shall entitle the Association to enter into common management, operational or other agreements with trusts, condominiums, cooperatives, or Neighborhood and other owners or resident's association, both within and without the Properties. Such agreements shall require the consent of two-thirds (2/3) of all directors of the Association.

The Association shall not be bound, either directly or indirectly, by any contract, lease or other agreement (including any management contract) executed during the Class "B" Control Period unless such contract, lease or other agreement contains a right of termination exercisable by either party without penalty at any time, with or without cause, upon not more than thirty (30) days' notice to the other party.

Section 22. Enforcement. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote of any person's right to use the Common Area for violation of any duty imposed under the Declaration, these By-Laws or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress



and egress to or from a Unit. In the event that any occupant, tenant, guest or invitee of a Unit violates the Declaration, By-Laws or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, By-Laws or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

- a. **Notice.** Prior to imposition of any sanction hereunder, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Covenants Committee, if any, or Board of Directors for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within in (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.
- b. **Hearing.** If a hearing is requested within the allotted ten (10) day period, the hearing shall be held in executive session affording the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board of Directors or the covenants Committee, if any, may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.
- c. **Appeal.** Following a hearing before the Covenants Committee, if any, the violator shall have the right to appeal the decision to the Board of



Directors. To perfect this right, a written notice of appeal must be received by the manager, President or Secretary of the Association within thirty (30) days after the hearing date.

- d. **Additional Enforcement Rights.** Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these By-Laws or the rules and regulations of the Association by self-help (specifically including, but not limited to , the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees (not limited to statutory fees) actually incurred.

ARTICLE IV Officers

Section 1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Voting Members, as herein set forth in Article III. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interest of the Association will be served thereby.

- c. **Inspection by Directors.** Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

Section 5. Notices. Unless otherwise provided in these By-Laws, all notice, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

- a. if to a Member or voting Member, at the address which the Member or Voting Member has designated in writing and filed with the Secretary of, if no such address has been designated, at the address of the Unit of such Member or Voting Member; or
- b. if to the Association the Board of Directors or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section

Section 6. Amendment. Prior to the conveyance of the first Unit, Declarant may unilaterally amend these By-Laws. After such conveyance, the Declarant may unilaterally amend these By-Laws at any time and from time to time if such amendment is (a) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation, or judicial determination; (b) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) required by an institutional or governmental lender or purchaser of mortgage loans, including , for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the units; or (d) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Units; provided, however, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing. So long as it still owns property described in Exhibits "A" or "B" of the Declaration for development as part of the Properties, the Declarant may unilaterally amend these By-Laws for any other purpose provided the amendment has no material adverse effect upon any right of any Owner.

Thereafter and otherwise, these By-Laws may be unilaterally amended by the Board of Directors of the Association if such amendment is (a) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule of regulation, or judicial determination; (b) necessary to enable an reputable title insurance company to issue title insurance coverage on the Units; (c) required by an institutional or governmental lender or purchaser of mortgage loans including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the units; (d) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Units; or (e) for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner or Mortgagee, provided, however, any such amendment shall adversely affect the title to any Unit unless the Owner shall consent thereto in writing.

Thereafter and otherwise, these By-Laws may be amended also by the affirmative vote or written consent, or any combination thereof, of Voting Members representing sixty-seven percent (67%) of the total Class "A" votes in the Association, including sixty-seven percent (67%) of the Class "A" votes held by Members other than the Declarant, and the consent of the Class "B" Member, so long as such membership exists. In addition, the approval requirements set forth in Article XIV of the Declaration shall be met, if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the Office of The Register of Deeds for Lenawee County, Michigan.

If an Owner consents to any amendment to the Declaration or these By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.



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STATE OF MICHIGAN - LENAWEE COUNTY
RECORDED 01/30/2024 01:59:39 PM AM
Carolyn S. Bater, REGISTER OF DEEDS

\$30.00



**FIRST AMENDMENT TO THE
DECLARATIONS AND COVENANTS OF
LONE OAK OF RED MILL POND COMMUNITY**

The original Declarations and Covenants of Lone Oak of Red Mill Pond Community, signed on February 4, 2019, and recorded on February 6, 2019, in Liber 2574, Page 984, of Lenawee County Records ("Original Declaration") is hereby amended pursuant to the authority reserved in Article XVI, Section 2 of the Original Declaration, and provisions of Michigan Compiled Laws Section 559.190. This First Amendment of the Original Declaration ("First Amendment") does not require consent of the Co-owners in the Project or Mortgagees under the above-cited provisions.

Upon recording of this First Amendment in the office of the Lenawee County Register of Deeds, the Original Declaration shall be amended in the following manner:

DECLARATIONS

1. Article V, Section 1 of the Original Declaration is hereby amended and replaced by the following provision:

Section 1: Association Responsibility. The Association shall maintain and keep in good repair the Area of Common Responsibility, such maintenance to be funded as hereinafter provided. The Area of Common Responsibility shall include, but need not be limited to: maintenance, repair and replacement subject to any insurance then in effect, of all landscaping and other flora, structures, drainage easements and detention/sedimentation areas, and other improvements, including private streets, situated upon the Common Area and such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, or by a contract or agreement for maintenance thereof by the Association. Routine maintenance of the storm water facilities must be completed within thirty (30) days of written notification by the City of Tecumseh that action is required, unless other acceptable arrangements are made with the City of Tecumseh. Should the Association fail to act within this time frame, the City of Tecumseh may perform the needed maintenance and assess the costs upon the unit owners within the Properties. Open space shall forever remain open space, subject only to uses approved on the site plan by the City of Tecumseh. Further subdivision of open space land or its use for other than recreation, conservation or agricultural purposes, except for easements for utilities, or as otherwise approved by the City of Tecumseh shall be strictly prohibited. The dedication of open space in perpetuity is binding on all successors and assigns of the Declarant and future owners of Units in the Properties. In the event that the City undertakes

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maintenance within the open space as a result of inadequate maintenance by the Association, or the open space is determined by the City to be a public nuisance, then, and in either of those events, any and all costs associated with maintenance performed by the City will be assessed by the City upon the Unit Owners in the Properties.

The Association shall be responsible for the maintenance, repair and replacement of all private streets located on the Properties, and the access point easement on Red Mill Pond located on the general common elements of the Lone Oak of Red Mill Pond Park E for use by all members of the Association. Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense to be allocated among all Units as part of the Base Assessment, subject to the right of the Association to seek reimbursement from the Owner(s) of, or other persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, and other recorded covenants or agreements with the owner(s) thereof.

The Association shall also be responsible for maintenance, repair and replacement of property within any Neighborhood to the extent designated in any Supplemental Declaration affecting the Neighborhood. The Association may also assume maintenance responsibilities with respect to any Neighborhood in addition to those that may be designated by any Supplemental Declaration. This assumption of responsibility may take place either by agreement with the Neighborhood or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard of the Properties. All costs of maintenance pursuant to this paragraph shall be assessed as a Neighborhood Assessment only against the Units within the Neighborhood to which the services are provided. The provision of services in accordance with this Section shall not constitute discrimination within a class.

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

2. Article XI, Sections 1, 2 and 3 of the Original Declaration are deleted and are replaced with the following provision:

ARTICLE XI ARCHITECTURAL STANDARDS

Section 1. General. Each neighborhood Board of Directors, acting by majority vote in accordance with the By Laws of the applicable neighborhood, shall be responsible for reviewing and approving or rejecting all plans for new construction or modifications to existing construction within any Unit. All approved plans must comply with the building restrictions and any building guidelines applicable to the neighborhood in which the Unit to be built upon is located. If the Board rejects a Unit owner's proposed construction plans, the Board shall provide a reasonable description of the reasons for rejection. All references in this Declaration to a committee having plan review responsibility (including without limitation the abbreviations "NCC" and "MC") shall be considered references to the Board of Directors of the neighborhood in which the Unit whose construction plans are submitted for review is located.

Section 2. Intentionally omitted.

Section 3. Intentionally omitted.



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BY LAWS

3. Article II, Section 3 of the By Laws of Lone Oak of Red Mill Pond Community which are attached to the Original Declaration as Exhibit A is amended and replaced by the following provisions:

Section 3. Annual Meetings. The first meeting of the Association, whether a regular or a special meeting, shall be held at such time as determined by the Declarant, but in all events, the first meeting shall be held within six (6) months after more than 50% of the Units in the first neighborhood that is governed by the Declaration are sold to persons other than builders who plan to build homes for sale on those Units. Subsequent annual meeting shall be set by the Board so as to occur at least once each fiscal year, on a date and time set by the Board.

In all respects other than as noted above, the Declarations and Covenants of Lone Oak of Red Mill Pond Community are ratified, confirmed, and remain in effect.

This First Amendment to the Declarations and Covenants of Lone Oak of Red Mill Pond Community has been signed by the Developer this 30th day of January, 2024.

Lone Oak Properties of Red Mill Pond, LLC,
a Michigan limited liability company

By: Allen D. Roberts
Allen D. Roberts, Member

STATE OF MICHIGAN)
LENAWEE COUNTY)

This document was acknowledged before me on January 30, 2024, by Allen D. Roberts, the Member of Lone Oak Properties of Red Oak Pond, LLC, a Michigan limited liability company, on behalf of the company.

Holly Rickard
Holly Rickard, Notary public
County of Lenawee, State of Michigan
Acting in the County of Lenawee
My commission expires: 3/1/2027

Drafted by:
Mark J. Eby (P31869)
Dever Eby & Issa, PLLC
301 N. Main Street, 2nd Floor
Ann Arbor, MI 48104
(734) 769-2691

✓ When Recorded Return To:
Allen D. Roberts
P.O. Box 400
Tecumseh, MI 49286



(mje_deloofdeverebey_com/Documents/Documents/Roberts Investment Co LLC/First Amendment to the Declarations 01-2024.docx)

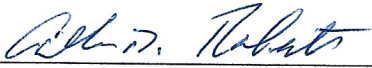


**EXHIBIT A
AFFIDAVIT OF MAILING**

STATE OF MICHIGAN)
LENAWEE COUNTY)

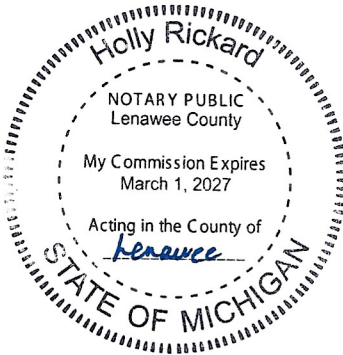
Allen D. Roberts, whose business address is P.O. Box 400, Tecumseh, Michigan 49286, being duly sworn, deposes and says that on January 30, 2024, he mailed by first class mail notices which included a copy of the proposed First Amendment to the Declaration and Covenants of the Lone Oak of Red Mill Pond Community, as required by MCLA 559.190, to the Co-owners of record of Units in Lone Oak of Red Mill Pond Condominium, on behalf of the Developer.

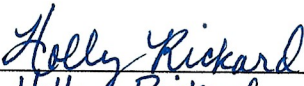
Deponent states nothing further.

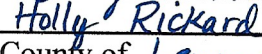


Allen D. Roberts

Subscribed and sworn to before me this 30th day of January, 2024.





 , Notary public
County of Lenawee , State of Michigan
Acting in the County of Lenawee
My commission expires: 3/1/2027


LIBER 2664 PAGE 0268 4 of 4

ALLEN EDWIN HOMES LOT SALE AND BUILDING AGREEMENT

Read carefully. This Agreement ("Agreement") governs the legal rights of the Owner / Builder.
Owner may want to seek the advice of an Attorney.

BUILDER: Allen Edwin Home Builders, LLC Builder License No: 2102182919 Address: 2186 E Centre City: Portage State: Michigan Zip: 49002 Phone: (269) 321-2600 Fax: (269) 321-2601 Date: _____ Sales Counselor: _____	BUYER/OWNER: _____ BUYER/OWNER: _____ Address: _____ _____ City: _____ State: _____ Zip: _____ Home Phone: _____ Work Phone: _____ Mobile Phone: _____ Email: _____
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The parties mutually agree as follows:

1. OFFER: Buyer hereby offers to buy the property located in City Village Township of _____, _____ County, Michigan, the commonly known address of _____ and legally described as _____ (the "Lot"). The term "Lot", for purposes of this entire agreement, (including any supplemental documentation) shall include a Lot in a platted development, a Unit in a site condominium community organized under the Michigan Condominium Act or a parcel in situations where the property is an unplatted metes and bounds parcel of land. This offer also includes the home being or to be built thereon ("Home"), subject to any existing building and use restrictions, limitations and easements, substantially in accordance with the plans and specifications which are approved and signed by Buyer. The quality of materials and work shall be in accord with industry standards.

2. CONTRACT PRICE: Buyer agrees to pay Builder the sum of \$ _____ as the "Contract Price" for the Lot and for construction of the Home.

3. METHOD OF PAYMENT: All monies must be paid by certified check, cashier's check or money order. Sale NOT CONTINGENT on financing after pre-approval.

DUE ON SALE: BUILDER UNDERSTANDS THAT BUILDING OR TRANSFERRING THE PROPERTY DOES NOT RELIEVE BUILDER OF ANY MORTGAGE OBLIGATION OR OTHER INDEBTEDNESS TO WHICH THE PROPERTY IS SUBJECT, UNLESS OTHERWISE AGREED TO BY THE LENDER OR REQUIRED BY LAW OR REGULATION.

4. MORTGAGE CONDITIONS: Completion of this transaction is contingent on Buyer's ability to obtain a (conventional) (insured conventional) (FHA) (VA) first mortgage loan commitment or an acceptable conditional pre-approval for approximately \$ _____ ("Mortgage Loan"). Buyer shall apply for a first mortgage loan commitment or a conditional pre-approval (with such loan commitment or pre-approval to be in a form acceptable to Builder in Builder's sole discretion) **within three (3) business days from the date Buyer signs this agreement.** Buyer will provide any requested information to the lender in a timely manner. If Buyer is unable to obtain a mortgage loan commitment or an acceptable conditional pre-approval **within fifteen (15) days of loan application,** or if Buyer is declined for a loan during this time period, Builder may return all deposits to Buyer or, if applicable, Buyer may elect to become a member of the Home Buyers Club. In the event the initial lender is unable to issue a conditional pre-approval, customer's file may, at Builder's discretion, be transferred to an alternate lender to pursue obtaining a conditional pre-approval. Buyer consents that any information pertaining to the mortgage loan application and financing (includes but is not limited to, the Credit Report, Loan Application, Verification of Employment, Verification of Deposits, Tax Returns, Deposit and Investment account statements, Property Appraisal, Communication log and Letters of explanation) will be provided for Builder's review. If Buyer is unable to obtain a loan commitment due to Buyer's own intentional acts (or lack of cooperation with any lender), then Buyer shall be in default hereunder. Buyer shall also be in default if the Mortgage Loan is subsequently disapproved for any reason, including but not limited to, an adverse change in Buyer's financial or employment status, an adverse change in Buyer's creditworthiness, or relocation by the Buyer. Upon return of all deposits, all parties hereto shall be released from all obligations under this Agreement.

PRE-APPROVAL SERVICE: Buyer acknowledges that Buyer has been given an opportunity to obtain a pre-approval at no charge to Buyer by participating in Builder's Complimentary Pre-approval Service ("the Service"). This service is

utilized to verify Buyer's ability to obtain an acceptable loan approval and final approval prior to the start of construction. Buyer acknowledges that the service is free to Buyer and reduces Builder's risk in this transaction.

Buyer acknowledges that a representative of Builder explained the Service to Buyer. Buyer acknowledges that, if Buyer decides to waive Buyer's right to the Service, Buyer will be required to pay more earnest money than Buyer would have if Buyer used the Service.

Buyer Agrees to Utilize Service? Yes: _____ No: _____ (Please Initial)

Customer has home to sell? Yes: _____ No: _____ (Please Initial)

If Yes, the following applies:

If the new home is completed and the customer's existing home has either not sold or has not closed, customer agrees to secure interim financing so as to close on the new home in accordance with this agreement. This agreement is not contingent on the sale of customer's current home.

- 5. **EARNEST MONEY:** Buyer is depositing \$ _____ with Builder as earnest money evidencing good faith. If the sale is not closed due to failure to satisfy a contingency specified herein for a reason other than the fault of the Buyer, the earnest money shall be refunded to the Buyer. All monies paid to Builder will be applied towards down payment and credited to Buyer at closing but will be forfeited to Builder in the case of a default by Buyer.
- 6. **SELECTIONS:** The selections for the home are complete. Purchase Orders and materials have been finalized.
- 7. **WARRANTIES: RADON:** BUILDER MAKES NO REPRESENTATION OR WARRANTY AS TO THE PRESENCE OR LACK OF RADON OR HAZARDOUS ENVIRONMENTAL CONDITION, OR AS TO THE EFFECT OF RADON OR ANY SUCH CONDITION ON THE PREMISES OR RESIDENTS.

Buyer has been provided a sample warranty book and has read and understands the limited warranty administered by Residential Warranty Company, LLC. Validation of the Warranty is not guaranteed, but conditioned on the satisfactory completion of any required inspections, upon Seller's compliance with all of RWC's enrollment procedures, and upon Seller remaining in good standing in the RWC Program. Buyer understands and agrees that if the above Warranty is validated, it is provided by the Seller in lieu of all other warranties, verbal agreements, or representations to the extent permitted by law; and Seller makes no warranty, express or implied, as to quality, fitness for a particular purpose, merchantability, habitability or otherwise, except as is expressly set forth in the Program or as required by law. Buyer understands and agrees that the warranties of all appliances and other consumer products installed in the home are those of the manufacturer or supplier and same are assigned to Buyer, effective on the date of closing. In any event, Seller shall not be liable for any personal injury or other consequential or secondary damages and/or losses which may arise from or out of any and all defects. Buyer acknowledges and understands that the Warranty includes a provision requiring all disputes that arise under the Warranty to be submitted to binding arbitration.

BUYER: _____

BUYER: _____

- 8. **INSULATION:** The home is insulated as follows:

INSULATION: The home's finished living areas have been or will be insulated as follows:

Location	Type	Thickness	Value per Manufacturer
Exterior Framed walls	Fiberglass Batts	6-1/4"	R-19
Integrity Series ONLY-Exterior Framed walls	Fiberglass Batts	3-1/2"	R-13
Ceilings with attic space above	Fiberglass Blown-in	13"	R-30
Vaulted ceilings	Fiberglass Batts	12"	R-30
Rim Joists	Fiberglass Batts	3 1/2"	R-13
Cantilevered Floors	Fiberglass Batts	12"	R-30

This disclosure is made in accordance with Federal Trade Commission Regulation 16 CFR 460.16.

- 9. **PRORATIONS:** Except as stated in contrary herein, items normally prorated in real estate transactions, shall be adjusted to the date of closing.
- 10. **TAXES AND ASSESSMENTS:** Current real estate taxes, except special assessments, shall be prorated to the date of closing and shall be deemed to cover the _____ **Tax year** in which they become due and payable. Taxes shall be

deemed due and payable as follows: Winter taxes-December 1st; Summer taxes-July 1st or August 1st. Any remaining balance of any special assessment (including but not limited to assessments arising from a sewer, water or lighting assessment district) which is assumable by a buyer and payable in one or more subsequent periods, shall be the responsibility of the buyer unless otherwise agreed to the contrary in writing by the Builder.

- 11. TITLE EVIDENCE:** As evidence of marketable title, Builder will provide without expense to Buyer an Owner's Policy of Title Insurance, subject to the standard exceptions, existing building and use restrictions, easements and limitations, including a policy commitment at or prior to closing for the value of the lot. If it is determined that the title is not marketable, Builder will have 30 days after receiving written notice from Buyer to remedy the claimed defect(s). If Builder is unable to cure the defect(s) within 30 days, Buyer's deposit will be refunded in full, and this Agreement shall be terminated unless Buyer waives contingency and agrees to accept title with the defect(s) on title. The Seller will provide an owner's title insurance policy for the value of the lot, issued at occupancy.
- 12. APPRAISAL:** As a result of the Home Valuation Code of Conduct and regulatory pressures on mortgage lenders, Buyer agrees to cooperate fully in order to facilitate a timely closing in the event an appraisal less than the total contract price is received by the Buyer's mortgage lender. This includes, but is not limited to cooperation with appraisal appeals, the pursuit of alternate loan programs, and/or the utilization of alternate mortgage lenders. Buyer understands that the ability to include Seller Paid Closing Costs and/or certain selected options in the contract is contingent on the receipt of a supporting appraisal. In order to work within the mortgage lender's appraisal, Builder reserves the right to remove Seller Paid Closing Costs and/or selected options from the contract by reducing the total Contract Price by the amount of the aforementioned Seller Paid Costs and/or selected options. Should the Seller Paid Costs be reduced, Buyer shall assume all responsibility for the payment of Buyer's costs at closing. Builder agrees to abate any delayed closing fees during an appraisal appeal and reserves the right to cancel this agreement without further obligation should Builder deem, in its reasonable discretion, that reaching a timely closing is unlikely. In such instance, Builder will refund all Earnest Money, less any costs incurred to regain clear title to the Home and any credit repair if applicable, to the Buyer. Builder may require Buyer's lender to obtain an acceptable appraisal prior to the commencement of construction and Buyer agrees to take all necessary loan application steps in order to accommodate this requirement. Should the Buyer elect to keep all options and/or wish to pay the difference in pricing in the event of a short appraisal, such funds must be paid to Builder prior to the commencement of construction.
- 13. CLOSING AND TITLE INSURANCE:** Buyer shall not occupy the Lot or Home until the Builder has been paid in full. Occupancy or use of Home by Buyer constitutes acceptance of the Home and shall be deemed to be substantial completion. Cost of any unfinished work shall be placed in escrow until such work is complete. If Builder determines that it is not possible or prudent to acquire title to the Lot or to construct a Residence on the Lot, whether for regulatory, legal, contractual or other reasons, all in the reasonable discretion of Builder, Buyer's deposit shall be refunded in full, this Agreement shall be terminated, Builder and Buyer shall execute a Mutual Release, and Builder shall have no further obligation to Buyer. Prior to Occupancy, Seller will provide a Certificate of Occupancy from the governing municipal building department. All construction will meet or exceed building standards as adopted by the National Home Builders Association for Quality Construction. Buyer shall take possession at closing. Closing will be held at Devon Title Agency. **Builder will provide Buyer with a fourteen (14) day notice prior to the Closing Date. Buyer shall close this transaction by the later of thirty (30) days of signed purchase agreement or on or before Closing Date. If Buyer Fails to close within specified time frame, Buyer shall be in Default of this agreement, and, in addition to the penalties of Default, Buyer agrees to pay Builder a daily Delayed Closing Fee of \$75.00, immediately due and payable, to compensate Builder for carry costs. Builder will not authorize nor guarantee any mortgage rate lock costs, points, or lender fees. All mortgage rate locks are the responsibility of Buyer.**
- 14. UTILITIES:** By the day of closing, Buyer shall have transferred to Buyer's name all utilities serving the Home. Thereafter, Buyer is responsible for all utility costs incurred in connection with the improvements on the Real Estate. Further, if Buyer does not transfer any such utility, Builder reserves the right to disconnect such utility on the day after closing.

WELL AND SEPTIC: Some Lots may require installation of individual on-site septic systems and/or wells. Where these systems are required, Builder agrees to install the items in accordance with all local and statutory requirements. Well water may contain elevated levels of natural elements and minerals; therefore, Buyer may consider installation of water treatment device(s). Wells will be installed to provide volume for domestic water to the homes. Wells are not designed to provide the required flow for underground irrigation systems; however, an upgrade may be available at the selections appointment, should Buyer desire to utilize the well for both domestic and underground irrigation use. Septic system(s) are designed based on Lot specific soil quality and topography; therefore, the design and location of drain fields can vary widely from Lot to Lot. The final grade near the drain field will change the existing topography of the Lot. Builder

reserves the right to cancel this agreement should Builder find hardship in meeting the local and statutory requirements for these systems.

Well: _____ YES _____ NO (Please initial) Septic: _____ YES _____ NO (Please initial)

- 15. PLANS, SPECIFICATIONS AND FINAL SELECTION SHEET.** The Home shall be constructed in approximate conformity with the plans, specifications, selection sheets A and B, Layout Sheets and Selection Summary, all of which are on file with Builder. Buyer understands and agrees that Builder owns the architectural plans for the Home. The architectural plans are not for sale and will not be provided to Buyer.
- 16. LOCATION AND BOUNDARIES:** Buyer may at Buyer's expense have the property surveyed or take such other action as Buyer deems necessary to satisfy Buyer as to the location of the improvements on the boundaries of the Lot. When closing occurs, Buyer shall be deemed to have accepted the location of such improvements on, and the boundaries of, the property. Various stakes and markers exist on the lot and at or near property corners. The Buyer agrees not to rely on these markers for purposes of improvements such as fences, landscaping, decks, etc. The Buyer also agrees that any representation from Allen Edwin regarding lot boundaries is approximate. If the Buyer desires accurate lot boundary identification, the Buyer should hire a licensed surveyor to stake the lot and provide a boundary survey certified to the Buyer.
- 17. CASUALTY:** In the event that, on or before the closing date, any buildings or other improvements on the property shall be damaged by fire, storm or other casualty, and the cost to repair same is in excess of 10% of the Total Contract Price, either party shall have the right to rescind this Agreement by written notice to the other party within seven (7) days after receiving notice of such casualty, and the Buyer shall be entitled to a refund of any earnest money.
- 18. DEFAULT:** If Buyer defaults, Builder may enforce this contract, or may declare Buyer's right to purchase terminated, keep the deposit, and pursue its legal remedies. Buyer hereby acknowledges and agrees that default by Buyer will cause Builder to incur damages, which may be difficult to precisely determine. In the event that Buyer defaults, all sums paid by Buyer in connection with this Agreement including Earnest Money, additional Earnest Money and any other monies paid to Builder shall be forfeited to Builder. In addition, Buyer agrees to pay the sum of \$5,000.00 to Builder as liquidated damages and not as a penalty, along with reasonable attorney fees incurred by Builder as a result of such default or, Builder, at its option shall be entitled to recover its actual damages and reasonable attorney fees incurred by Builder as a result of Buyer's default. If Builder defaults, Buyer's sole remedy shall be to the return of the earnest money.
- 19. COUNTERPARTS:** This agreement may be signed in any number of counterparts with the same effect as if the signature of each counterpart were upon same instrument.
- 20. CHANGES IN WORK OR CONTRACT:** Builder shall not be obligated to make any changes and/or alterations in the work and/or materials, and Buyer shall not be obligated to pay, except upon written change orders signed by Buyer and Builder. Oral changes will not be accepted. No modifications of this Agreement shall be binding unless in writing and signed by the Parties. Notwithstanding the foregoing, Builder reserves the right to revise plans, designs, included features, and specifications without notice or obligation. Furthermore, materials or products of similar quality (in Builder's sole determination) may be substituted as a result of changes in municipal requirements, supplier or labor cost or availability, or for any other reason determined by Builder. This Agreement shall not be assigned by Buyer without written consent of Builder.
- 21. DISPUTES:** Any claim or demand of either party arising out of this Agreement, including without limitation, claims of fraud, misrepresentation, warranty, workmanship or negligence, shall be submitted to binding arbitration. The parties shall attempt to agree on a mutually agreeable independent arbitrator. If the parties are unable to mutually agree on an arbitrator, an arbitrator shall be selected in accordance with the rules of the American Arbitration Association. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association, Home Construction Arbitration Rules and Mediation Procedures. A Circuit Court judgment may render judgment upon the award made pursuant to this Agreement. This Agreement is specifically made subject to and incorporates the provisions of the Uniform Arbitration Act, MCL 691.1681. The parties agree that this paragraph is intended to be an alternative dispute resolution provision under the terms of the Michigan Occupational Code, MCL 339.2411 and MCL 339.2412. The cost of such arbitration shall be divided equally between both parties.

Unless specifically agreed in writing by the parties, in the event that a dispute arises with respect to a delay in completion of construction or a Certificate of Occupancy, and in the further event that an arbitrator or court determines that any such delay constitutes a default under this Addendum or any agreement to which it relates, the Buyer's sole and exclusive remedy shall be the right to recover interest on the amount deposited by Buyer computed at the rate of seven

percent (7%) per annum and covering the period from the required completion date to the date of actual completion of construction. In no event shall delay in completion give rise to a right to rescind, or permit termination of this agreement. In no event shall Allen Edwin have any responsibility or liability for any commitments between the Buyer and any Lender for items such as interest rates or rate lock periods. Legal actions to enforce the rights granted by promissory notes, mortgages, and grants of easement are excluded from binding arbitration.

- 22. TIME DELAYS:** Builder shall not be responsible for delays in completion of work resulting from: the acts, neglect or default of Buyer or persons employed by Buyer; delays resulting from damage by fire, windstorm, rain days, other inclement weather, acts of God or casualty; delays from shortage of any building materials; delays caused by processes for courts or other circumstances beyond the Builder's control. If Buyer is to provide or select any work or materials necessary for the completion of this project, it shall be done in a timely fashion and any loss occasioned by Buyer's failure to so comply shall be reimbursed to Builder.
- 23. INSPECTION:** Builder shall permit and facilitate inspection of the work at reasonable times by Buyer and public authorities. Buyer acknowledges that Buyer has been informed by Builder that a construction site is a dangerous area. Buyer shall notify Builder prior to entering the construction site.
- 24. LICENSE:** A residential builder or a residential maintenance and alteration contractor is required to be licensed under article 24 of Act 299 of the Public Acts of 1980, as amended, being sections 339.2401 to 339.2412 of the Michigan Compiled Laws. An electrician is required to be licensed under Act No. 217 of the Public Acts of 1956, as amended, being sections 338.881 to 338.892 of the Michigan Compiled Laws. A plumber is required to be licensed under Act No. 266 of the Public Acts of 1929 as amended, being sections 338.901 to 338.917 of the Michigan Compiled Laws.
- 25. WORK STOPPAGE OR PAYMENT DEFAULT:** If the work of Builder shall be stopped under any Court Order, governmental order or for any reason outside Builder's control, for a period of thirty (30) days through no act or fault of the Builder, his employees or agents, then the Builder may stop work or terminate this Agreement.
- 26. SUPERVISION OF WORK:** Buyer agrees that the direction and supervision of the workers, including subcontractors, rests exclusively with the Builder. The Buyer further agrees not to negotiate for additional work with the Builder's sub-contractors or to engage with builders or sub-contractors for work on this project, except with the Builder's consent.
- 27. PUNCH LISTS:** Buyer acknowledges that when the final punch list has been submitted all items on the final punch list will be completed to model home quality, accepted national building standards, and local building code.
- 28. COOPERATION:** If Buyer fails to reasonably cooperate with Builder in any way, Buyer's failure to cooperate shall be deemed a default, and Builder shall have the right to terminate the Agreement three (3) days after notice to Buyer.
- 29. BINDING:** This Agreement shall be binding upon and take effect to the benefit of the parties hereto and their respective successors, heirs, assign, executors, administrators and personal representatives.
- 30. UNITS IN CONDOMINIUM PROJECTS:** (In the event of any inconsistency between this Paragraph 30 and other provisions of this Agreement, Paragraph 30 controls)

Buyer: _____ Buyer: _____

30a. ESCROW PROVISIONS: All sums received by the Builder from Buyer pursuant to this Agreement required to be placed in escrow shall be deposited with Devon Title, 3250 W. Centre St., Portage, Michigan 49024, as Escrow Agent acting by and through its representatives (or such other Escrow Agent qualified to serve as such under the Act as may be later substituted by the Builder in such capacity), under an Escrow Agreement between the Builder and such Company which is part of the Purchase Agreement and is incorporated herein by reference, the terms of which are accepted by Buyer who agrees to be bound thereby as though a party to the agreement. In the event of Buyer's withdrawal from this Agreement prior to the date on which it becomes a binding Purchase Agreement, the funds shall be returned to Buyer within three (3) business days after written notification of such withdrawal has been received by the Escrow Agent, and all rights and liabilities of the Buyer and Builder under this Agreement shall wholly cease and terminate. After expiration of the withdrawal period, the Builder shall retain sufficient funds in escrow (or provide sufficient security) to assure completion of only those uncompleted structures and improvements which are labeled "must be built" under the terms of the condominium documents.

30b. CANCELLATION RIGHTS OF BUYER: Unless the Buyer waives the right of withdrawal, this Agreement shall not become binding and the Buyer may withdraw without cause and without penalty if such withdrawal is made before conveyance of the Unit and within nine (9) business days after receipt by the Buyer of a copy of the recorded Master Deed and other documents required by Section 84a of the Condominium Act. If the Buyer does not withdraw as

provided above, this Agreement shall become binding upon him/her at the expiration of nine (9) business days following receipt by the Buyer of the documents specified above (including the day on which the documents are received if that day is a business day).

30c. ARBITRATION: At the exclusive option of the Buyer, any claim which might be the subject of a civil action against the Builder which involves an amount less than \$2,500.00, and arises out of or relates to this Purchase Agreement or the Unit or project to which this Agreement relates, shall be settled by binding arbitration conducted by the American Arbitration Association. The arbitration shall be conducted in accordance with applicable law and the currently applicable rules of the American Arbitration Association. Judgment upon the award rendered by arbitration may be entered in a circuit court of appropriate jurisdiction.

31. FINAL AGREEMENT: This Agreement expresses all agreements between the parties concerning the subject matter hereof and supersedes all previous understandings relating thereto, whether oral or written.

32. REAL ESTATE BROKERS:

____The Buyer and Builder warrant and represent to the other that no agreement exists, and no acts or undertakings have taken place, creating or which could create, any obligation to any real estate broker in this transaction, and each party shall indemnify and hold the other party harmless from any and all claims for real estate commissions caused by actions of the party in question.

____A sales commission equal to ____% of the Final Sales Price (Excluding: Closing Costs, Pre-Paid, and Down Payment Assistance) will be paid to the listed real estate broker. Real estate broker has signed Builder 'BROKER COMMISSION AGREEMENT' and Buyer acknowledges listed Realtor is their sole representative in the transaction.

Broker Name: _____
Agent Name: _____
License #: _____
Address: _____
City: _____ State _____ Zip _____
Phone #: Work _____ Mobile _____
Email _____

____A sales commission equal to ____% of the Final Sales Price (Excluding: Closing Costs, Pre-Paid, and Down Payment Assistance) will be paid to the listed real estate broker. Real estate broker has signed Builder 'BROKER COMMISSION AGREEMENT' and Buyer acknowledges listed Realtor is their sole representative in the transaction.

Broker Name: _____
Agent Name: _____
License #: _____
Address: _____
City: _____ State _____ Zip _____
Phone #: Work _____ Mobile _____
Email _____

Buyer: _____ Buyer: _____

33. RECEIPT OF PLAT RESTRICTIONS OR CONDOMINIUM PURCHASER INFORMATION BOOK: Buyer acknowledges that a copy of the plat restrictions or condominium purchaser information book (whichever is applicable) was received for lot # _____ of _____.

34. PERIODIC HOMEOWNER ASSOCIATION OBLIGATIONS: Buyer understands that most Lots are governed by homeowner associations which impose dues or fees for various services provided to homeowners. It is Buyer's responsibility to ascertain current levels of dues and fees. Buyer also acknowledges that in most cases such dues and fees increase from time to time and that it is Buyer's responsibility to evaluate the impact such increases may have in the future.

35. ELECTRONIC TRANSMISSION OF DOCUMENTS. You have agreed to receive the Purchase Agreement and accompanying addenda, and the various disclosures required under the Michigan Condominium Act, electronically. The Uniform electronic Transactions Act may require various consents and assurances with respect to the use of electronic records, disclosures and signatures. To assure compliance with any such requirements we ask that you initial each of the following:

_____ I/We have agreed to receive the Purchase Agreement and accompanying addenda and the Purchaser Information Booklet by electronic transmission

_____ I/We understand that this consent to electronic transmission may be revoked at any time.

35. NEW HOME ORIENTATION. Buyer will be provided with a New Home Orientation by an Allen Edwin Homes Representative and will sign a punch list prior to closing.

We have read this Agreement carefully before signing and hereby acknowledge receipt of a copy thereof.

Builder: Allen Edwin Home Builders, LLC

Buyer: _____

By: _____

Buyer: _____

Date: _____

Date: _____

LONE OAK OF RED MILL POND
ESCROW AGREEMENT

AGREEMENT, made the ___ day of _____, 20___ between Allen Edwin Home Builders, LLC, a Michigan limited liability company with offices at 2186 E. Centre Ave., Portage, MI 49002 ("Builder"), and Devon Title Agency, a Michigan corporation, with offices at 800 E. Milham Road, Portage, MI 49002 (the "Escrow Agent").

RECITALS:

WHEREAS, Lone Oak of Red Mill Pond is a residential development in the City of Tecumseh, Lenawee County, Michigan, developed by a third party unrelated to Builder, as a site Condominium Project under the Michigan Condominium Act (Act No. 59, Public Acts of 1978, as amended, hereinafter the "Act"); and

WHEREAS, Builder intends to sell Units in Lone Oak of Red Mille Pond (the "Project"), and is entering into Purchase and/or Preliminary Reservation Agreements (the "Purchase Agreements") with purchasers for such Units in substantially the form attached, and each such Agreement requires that all deposits made by prospective purchasers be held by an Escrow Agent under an Escrow Agreement; and

WHEREAS, the parties hereto desire to enter into such an Escrow Agreement for the benefit of Builder and for the benefit of each purchaser (hereinafter called "Purchaser") who makes a deposit under a Purchase Agreement.

NOW, THEREFORE, it is agreed as follows:

1. Builder shall, promptly after receipt, transmit to Escrow Agent all sums deposited with it under a Purchase or Reservation Agreement, together with a fully executed copy of such Agreement, as required under Section 84 Act. Pursuant to Section 84(3), such funds need not be deposited in escrow if such funds are not required by other provisions of the Act to be retained in escrow after the closing. Pursuant to Section 103b(5), Builder has elected to provide the Escrow Agent with evidence of lending commitments, together with an indemnification agreement, having a value of not less than the amount that would otherwise be retained pursuant to Section 103b(3) of the Act.

2. The sums paid to Escrow Agent under the terms of any Purchase or Reservation Agreement shall be held and released to Builder or to Purchaser upon the following conditions:

A. In the event that a Purchaser withdraws from a Reservation Agreement, or from a Purchase Agreement prior to the time that the Agreement becomes binding under its provision, Escrow Agent shall, within 3 business days from the date of receipt of notice of such withdrawal, release to Purchaser all of Purchaser's deposits held under the Agreement.

B. If Builder requests that all or any part of the escrowed funds held under this Agreement be delivered to it prior to the time it otherwise becomes entitled to receive them, Escrow Agent may release all such sums to Builder if Builder has placed with Escrow Agent an irrevocable letter of credit drawn in favor of Escrow Agent in form and substance satisfactory to Escrow Agent and securing full repayment of such sums, or has placed with Escrow Agent such other substitute security as may be permitted by law and approved by Escrow Agent.

3. The Escrow Agent in the performance of its duties under this Agreement shall be deemed an independent party not acting as the agent of the Builder, any Purchaser, Co-owner, or other interested party. So long as the Escrow Agent relies upon any certificate, cost estimate, or determination made by a licensed professional engineer or architect as described in the Act, the Escrow Agent shall have no liability whatever to the Builder or to any Purchaser, Co-owner, or other interested party for any error in such certificate, cost estimate, or determination, or for any act or omission by the Escrow Agent in reliance thereon. The Escrow Agent shall be relieved of all liability upon release, in accordance with this Paragraph, of all amounts deposited with it as required by the Act.

4. Escrow Agent may require reasonable proof of occurrence of any of the events, actions, or conditions stated in this Agreement before releasing any sums held by it under a Purchaser Agreement to a Purchaser or to the Builder.

5. Upon making delivery of the funds deposited with Escrow Agent under a Purchase Agreement and performance of the obligations and services stated in both the Purchase Agreement and in this Escrow Agreement, Escrow Agent shall be released from any further liability under any such Agreement, it being expressly understood that liability is limited by the terms and provisions of such Agreement, and of this Agreement, and that by acceptance of this Agreement, Escrow Agent is acting in the capacity of a depository and is not as such, responsible or liable for the sufficiency, correctness, genuineness or validity of the instruments submitted to it, or the marketability of title to any Unit reserved or sold under any other Agreement. Escrow Agent shall not be responsible for the failure of any bank used by it as an escrow depository for funds received by it under this escrow.

6. Builder hereby agrees to indemnify and hold the Escrow Agent harmless for any loss or damage sustained by the Escrow Agent, including, but not limited to, reasonable attorney fees resulting from any litigation arising from the performance of Escrow Agent's obligations and services, provided such litigation is not a result of Escrow Agent's wrongful act or negligence.

7. All funds received in this escrow, and any other funds received by Devon Title in connection with the subject real estate transaction, shall be deposited with other escrow funds in one or more non-interest bearing escrow accounts of Escrow Agent in a state or national bank selected by Escrow Agent. Escrow Agent shall have no obligation to account in any manner to the parties to this escrow for the value of any benefit received by Escrow Agent, directly or indirectly, by reason of the deposit of any such funds or the maintenance of such accounts with such bank, nor shall Escrow Agent have any obligation to pay any benefit to said parties. Such benefits may include, without limitation, credits allowed by such bank on loans to Escrow Agent

or its parent company, and credits on accounting, reporting, and other services and products of such bank. Any such benefits shall be deemed additional compensation of Escrow Agent for its services in connection with this escrow. Escrow Agent shall not be liable for any delay in closing this escrow if the funds deposited in this escrow are not available for immediate withdrawal as a matter of right following deposit in such bank. Escrow Agent shall not be liable for any loss or impairment of said funds due to bank failure, insolvency, or suspension.

8. All notices required or permitted under this Agreement and all notices of change of address shall be deemed sufficient if personally delivered or sent by registered or certified mail, postage pre-paid and return receipt requested, addressed to the recipient party at the address shown below such party's signature to this Agreement or upon any of the other said Agreements. For purposes of calculating time periods under the provisions of this Agreement, notice shall be deemed effective upon mailing or personal delivery, whichever is applicable.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the date set forth at the outset hereof

ALLEN EDWIN HOME BUILDERS, LLC

By: _____

Its: _____

DEVON TITLE AGENCY

By: _____

Its: _____



Form Revision Date 07/2016

ARTICLES OF INCORPORATION
For use by DOMESTIC NONPROFIT CORPORATION

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

ARTICLE I

The name of the corporation is:

LONE OAK OF RED MILL POND CONDOMINIUM ASSOCIATION

ARTICLE II

The purpose or purposes for which the corporation is formed are:

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

1. To manage and administer the affairs of and to maintain Lone Oak of Red Mill Pond, a residential building site condominium (hereinafter called the "Project");
2. To levy and collect assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association, to enforce assessments through liens and foreclosure proceedings when appropriate and to impose late charges for non-payment of assessments;
3. To carry insurance and collect and allocate the proceeds thereof;
4. To rebuild improvements to the common elements after casualty, subject to all the other applicable provisions of the project documents
5. To contract for and employ persons, firms, corporations, or other agents to assist in the administration, management, maintenance, repair, replacement and operation of the Project, including fulfilling drainage responsibilities within individual units;
6. To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Project, and to delegate to such committees any functions or responsibilities which are not by law or the Project documents required to be performed by the Board;
7. To lease (as landlord or tenant) any real and personal property, or any interest therein, including, but not limited to, any unit in the Project, any easements or licenses or any other real property, whether or not contiguous to the Project, for the purpose of providing benefit to the members of the Association and in furtherance of any of the purposes of the Association;
8. To borrow money and issues evidences of indebtedness in furtherance of any or all purposes of the Association, and to secure the same mortgage, pledge or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of sixty percent (60%) of all members of the Association;
9. To make reasonable rules and regulations governing the use and enjoyment of units and the project by members and their tenants, guests, employees, invitees, families and pets and to enforce such rules and regulations by all legal methods, including, without limitation, or imposing fines and late payment charges, or instituting eviction or legal proceedings;
10. To make rules and regulations and/or to enter into agreements with institutional lenders, the purposes of which are to enable obtaining mortgage loans by unit co-owners which are acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Veterans Administration, the department of Housing and Urban Development, and any other agency of the Federal government or state of Michigan, or by any other institutional participant in the secondary mortgage market which purchases mortgages;
11. To levy, collect and disburse fines against and from the members of the Association after notice and hearing thereon and to use the proceeds thereof for the purposes of the Association;
12. To enforce the provisions of the Master deed and By-Laws of the Project and of these Articles of Incorporation and such By-Laws and Rules and Regulations of the Association as may hereafter be adopted;
13. To do anything required of or permitted to it as Administrator of said Project by the Master Deed or By-Laws or by Act no. 59 of public Acts of 1978, as from time to time amended;
14. To assert, defend or settle claims on behalf of all owners in connection with the common elements of the Project. The board shall provide at least a ten (10) day written notice to all owners on actions proposed by the board with regard thereto.

ARTICLE III

The Corporation is formed upon basis.

If formed on a stock basis, the total number of shares the corporation has authority to issue is

If formed on a nonstock basis the description and value of its real or assets are if none insert "none" :

None.

The description and value of its personal property assets are (if none, insert "none"):

None.

The corporation is to be financed under the following general plan:

Assessment of members.

The Corporation is formed on a basis.

ARTICLE IV

The street address of the registered office of the corporation and the name of the resident agent at the registered office (P.O. Boxes are not acceptable):

1. Agent Name: ALLEN D. ROBERTS
2. Street Address: 800 S. MAUMEE ST.
Apt/Suite/Other:
City: TECUMSEH
State: MI Zip Code: 49286
3. Registered Office Mailing Address:
P.O. Box or Street Address: PO BOX 400
Apt/Suite/Other:
City: TECUMSEH
State: MI Zip Code: 49286

ARTICLE V

The name(s) and address(es) of the incorporator(s) is (are) as follows:

Name	Residence or Business Address
ALLEN D. ROBERTS	800 S. MAUMEE ST., TECUMSEH, MI 49286 USA

Use the space below for additional Articles or for continuation of previous Articles. Please identify any Article being continued or added.

ARTICLE VI

ANY ACTION REQUIRED OR PERMITTED TO BE TAKEN AT ANNUAL OR SPECIAL MEETING OF MEMBERS MAY BE TAKEN WITHOUT A MEETING, WITHOUT PRIOR NOTICE AND WITHOUT A VOTE, IF A CONSENT IN WRITING, SETTING FORTH THE ACTION SO TAKEN, IS SIGNED BY MEMBERS HAVING NOT LESS THAN THE MINIMUM NUMBER OF VOTES THAT WOULD BE NECESSARY TO AUTHORIZE OR TAKE THE ACTION AT A MEETING AT WHICH ALL MEMBERS ENTITLED TO VOTE THEREIN WERE PRESENT AND VOTED. PROMPT NOTICE OF THE TAKING OF THE CORPORATE ACTION WITHOUT A MEETING BY LESS THAN THE UNANIMOUS WRITTEN CONSENT SHALL BE GIVEN TO MEMBERS WHO HAVE NOT CONSENTED IN WRITING.

ARTICLE VII

THE QUALIFICATIONS OF MEMBERS, THE MANNER OF THEIR ADMISSION TO THE ASSOCIATION, THE TERMINATION OF MEMBERSHIP, AND VOTING BY SUCH MEMBERS SHALL BE AS FOLLOWS:

1. EACH OWNER (INCLUDING THE DEVELOPER) OF A UNIT IN THE PROJECT SHALL BE A MEMBER OF THE ASSOCIATION, AND NO OTHER PERSON OR ENTITY SHALL BE ENTITLED TO MEMBERSHIP.
2. MEMBERSHIP IN THE ASSOCIATION SHALL BE ESTABLISHED BY ACQUISITION OF FEE SIMPLE TITLE TO SUCH UNIT IN THE PROJECT, OR PURCHASE OF A UNIT ON LAND CONTRACT, AND BY RECORDING WITH THE REGISTER OF DEEDS OF THE LENAWEE COUNTY, MICHIGAN, A DEED OR OTHER INSTRUMENT ESTABLISHING A CHANGE OF RECORD TITLE TO SUCH UNIT AND THE FURNISHINGS OF EVIDENCE OF SAME SATISFACTORY TO THE ASSOCIATION (EXCEPT THAT THE DEVELOPER OF THE PROJECT SHALL BECOME A MEMBER IMMEDIATELY UPON ESTABLISHMENT OF THE PROJECT), THE NEW OWNER THEREBY BECOMING A MEMBER OF THE ASSOCIATION, AND THE MEMBERSHIP OF THE PRIOR OWNER THEREBY BEING TERMINATED.
3. THE SHARE OF A MEMBER IN THE FUNDS AND ASSETS OF THE ASSOCIATION CANNOT BE ASSIGNED, PLEDGED ENCUMBERED OR TRANSFERRED IN ANY MANNER EXCEPT AS AN APPURTENANCE TO HIS UNIT IN THE PROJECT.
4. VOTING BY MEMBERS SHALL BE IN ACCORDANCE WITH THE PROVISIONS OF THE BY-LAWS OF THE ASSOCIATION.

ARTICLE VIII

THE MEMBERS OF THE BOARD SHALL BE VOLUNTEER DIRECTORS WITHIN THE MEANING OF THE ACT. A VOLUNTEER DIRECTOR SHALL NOT BE PERSONALLY LIABLE TO THE CORPORATION OR TO ITS MEMBERS FOR MONETARY DAMAGES FOR A BREACH OF THE DIRECTOR'S

DIRECTOR FOR ANY OF THE FOLLOWING:

1. THE AMOUNT OF A FINANCIAL BENEFIT RECEIVED BY A DIRECTOR OR VOLUNTEER OFFICER TO WHICH HE OR SHE IS NOT ENTITLED;
2. INTENTIONAL INFLICTION OF HARM ON THE CORPORATION, ITS SHAREHOLDERS OR MEMBERS;
3. A VIOLATION OF SECTION 551;
4. ANY INTENTIONAL CRIMINAL ACT;
5. A LIABILITY IMPOSED UNDER SECTION 497(1).

A VOLUNTEER DIRECTOR SHALL ONLY BE PERSONALLY LIABLE FOR MONETARY DAMAGES FOR A BREACH OF FIDUCIARY DUTY AS A DIRECTOR TO THE CORPORATION AND ITS MEMBERS TO THE EXTENT SET FORTH IN THIS ARTICLE. ANY REPEAL OR MODIFICATION OF THIS ARTICLE SHALL NOT ADVERSELY AFFECT ANY RIGHT OR PROTECTION OF ANY VOLUNTEER DIRECTOR EXISTING AT THE TIME OF OR FOR ANY ACTS OR OMISSIONS OCCURRING BEFORE THE REPEAL OR MODIFICATION.

ARTICLE IX

THE CORPORATION ASSUMES LIABILITY FOR ALL ACTS OR OMISSIONS OF A VOLUNTEER OCCURRING AFTER THE DATE THIS ARTICLE IS FILED WITH THE MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS, PROVIDING ALL OF THE FOLLOWING CONDITIONS ARE MET:

1. THE VOLUNTEER WAS ACTING OR REASONABLY BELIEVED THAT HE OR SHE WAS ACTING WITHIN THE SCOPE OF HIS OR HER AUTHORITY;
2. THE VOLUNTEER WAS ACTING IN GOOD FAITH;
3. THE VOLUNTEERS CONDUCT DID NOT AMOUNT TO GROSS NEGLIGENCE OR WILLFUL AND WANTON MISCONDUCT;
4. THE VOLUNTEERS CONDUCT WAS NOT AN INTENTIONAL TORT; AND
5. THE VOLUNTEERS CONDUCT WAS NOT A TORT ARISING OUT OF THE OWNERSHIP, MAINTENANCE OR USE OF A MOTOR VEHICLE FOR WHICH TORT LIABILITY MAY BE IMPOSED AS PROVIDED IN MCL 500.3135 OF THE INSURANCE CODE OF 1956, ACT NO. 218 OF THE PUBLIC ACTS OF 1956.

ARTICLE X

NO CONTRACT OR OTHER TRANSACTION BETWEEN THIS CORPORATION AND ANY OTHER CORPORATION, FIRM, OR ASSOCIATION SHALL BE SUBJECT TO CANCELLATION (OTHER THAN AS PROVIDED BY MCL 559.101 ET SEQ.) BY THE FACT THAT ANY ONE OR MORE OF THE DIRECTORS OR OFFICERS OF THE CORPORATION ARE INTERESTED IN OR ARE DIRECTORS OR OFFICERS OF THE OTHER CORPORATION, FIRM, OR ASSOCIATION; AND ANY DIRECTOR OR OFFICER MAY INDIVIDUALLY BE A PARTY TO OR BE INTERESTED IN ANY CONTRACT OR TRANSACTION OF THE CORPORATION. HOWEVER, THE CONTRACT OR OTHER TRANSACTION MUST BE FAIR AND REASONABLE TO THE CORPORATION WHEN IT IS AUTHORIZED, APPROVED, OR RATIFIED; AND THE MATERIAL FACTS OF THE RELATIONSHIP OR INTEREST MUST BE DISCLOSED OR KNOWN TO THE BOARD OR COMMITTEE WHEN IT AUTHORIZED, APPROVED, OR RATIFIED THE CONTRACT OR TRANSACTION BY A VOTE SUFFICIENT FOR THE PURPOSE WITHOUT COUNTING THE VOTE OF THE INTERESTED DIRECTOR OR OFFICER. EVERY PERSON WHO MAY BECOME A DIRECTOR OR AN OFFICER OF THE CORPORATION IS RELIEVED FROM ANY LIABILITY THAT MIGHT OTHERWISE EXIST FROM CONTRACTING WITH THE CORPORATION FOR THE BENEFIT OF THE OFFICER OR DIRECTOR OR ANY FIRM, ASSOCIATION, OR CORPORATION IN WHICH THE OFFICER OR DIRECTOR MAY OTHERWISE HAVE AN INTEREST AS SET FORTH IN THESE ARTICLES.

ARTICLE XI

THESE ARTICLES OF INCORPORATION MAY BE AMENDED, ALTERED, CHANGED, OR REPEALED ONLY BY THE AFFIRMATIVE VOTE OF NOT LESS THAN TWO-THIRDS 2/3 OF THE ENTIRE MEMBERSHIP OF THE ASSOCIATION; PROVIDED, THAT NO EVENT SHALL ANY AMENDMENT MAKE CHANGES IN THE QUALIFICATION FOR THE MEMBERSHIP OR THE VOTING RIGHTS OF MEMBERS WITHOUT THE UNANIMOUS CONSENT OF THE MEMBERSHIP.

ARTICLE XII

IF THE EXISTENCE OF THE CORPORATION IS TERMINATED FOR ANY REASON, ALL ASSETS OF THE CORPORATION REMAINING AFTER THE PAYMENT OF OBLIGATIONS IMPOSED BY APPLICABLE LAW SHALL BE DISTRIBUTED AMONG THE MEMBERS OF THE CORPORATION IN THE SAME PROPORTION THAT EACH MEMBER'S INTEREST IN THE COMMON ELEMENTS OF THE PROJECT BEARS TO THE TOTAL OF THE INTERESTS.

Signed this 2nd Day of January, 2019 by the incorporator(s).

Signature	Title	Title if "Other" was selected
Michael R. Olsaver	Attorney In Fact	

By selecting ACCEPT, I hereby acknowledge that this electronic document is being signed in accordance with the Act. I further certify that to the best of my knowledge the information provided is true, accurate, and in compliance with the Act.

Decline Accept

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
FILING ENDORSEMENT

This is to Certify that the ARTICLES OF INCORPORATION

for

LONE OAK OF RED MILL POND CONDOMINIUM ASSOCIATION

ID Number: 802269054

received by electronic transmission on January 02, 2019 **, is hereby endorsed.**

Filed on January 04, 2019 **, by the Administrator.**

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



In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 4th day of January, 2019.

Julia Dale, Director

Corporations, Securities & Commercial Licensing Bureau



Form Revision Date 07/2016

ARTICLES OF INCORPORATION For use by DOMESTIC NONPROFIT CORPORATION

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

ARTICLE I

The name of the corporation is:

LONE OAK OF RED MILL POND COMMUNITY ASSOCIATION

ARTICLE II

The purpose or purposes for which the corporation is formed are:

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

1. To manage and administer the affairs of and to maintain Lone Oak of Red Mill Pond Community consistent with the Declaration of Covenants, Conditions and Restrictions for the Lone Oaks of Red Mill Pond Community recorded in the Lenawee County Records, as the same may be amended from time to time as provided therein ("Declaration");
2. To levy and collect assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association, to enforce assessments through liens and foreclosure proceedings when appropriate and to impose late charges for non-payment of assessments;
3. To carry insurance and collect and allocate the proceeds thereof;
4. To maintain and rebuild improvements on Common Area (as that term is defined in the Declaration) after casualty, subject to all the other applicable provisions of the Declaration.
5. To contract for and employ persons, firms, corporations, or other agents to assist in the administration, management, maintenance, repair, replacement and operation of the Common Area;
6. To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Declaration, and to delegate to such committees any functions or responsibilities which are not by law or the Declaration required to be performed by the Board;
7. To lease (as landlord or tenant) any real and personal property, or any interest therein, including, but not limited to, any easements or licenses or any other real property, whether or not contiguous to the Project, for the purpose of providing benefit to the members of the Association and in furtherance of any of the purposes of the Association;
8. To borrow money and issues evidences of indebtedness in furtherance of any or all purposes of the Association, and to secure the same mortgage, pledge or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of sixty percent (60%) of all members of the Association;
9. To make reasonable rules and regulations governing the use and enjoyment of the Common Areas by members and their tenants, guests, employees, invitees, families and pets and to enforce such rules and regulations by all legal methods, including, without limitation, or imposing fines and late payment charges, or instituting eviction or legal proceedings;
10. To levy, collect and disburse fines against and from the members of the Association after notice and hearing thereon and to use the proceeds thereof for the purposes of the Association;
11. To enforce the provisions of the Declaration and of these Articles of Incorporation and such By-Laws and Rules and Regulations of the Association as may hereafter be adopted;
12. To assert, defend or settle claims on behalf of the Association and its members in connection with the property owned by the Association. The board shall provide at least a ten (10) day written notice to all Members on actions proposed by the board with regard thereto.

ARTICLE III

The Corporation is formed upon basis.

If formed on a stock basis, the total number of shares the corporation has authority to issue is

If formed on a nonstock basis, the description and value of its real property assets are (if none, insert "none"):

None.

The description and value of its personal property assets are (if none, insert "none"):

None.

The corporation is to be financed under the following general plan:

Assessment of members.

The Corporation is formed on a basis.

ARTICLE IV

The street address of the registered office of the corporation and the name of the resident agent at the registered office (P.O. Boxes are not acceptable):

1. Agent Name: ALLEN D. ROBERTS
2. Street Address: 800 S. MAUMEE ST.
Apt/Suite/Other:
City: TECUMSEH
State: MI Zip Code: 49286
3. Registered Office Mailing Address:
P.O. Box or Street Address: PO BOX 400
Apt/Suite/Other:
City: TECUMSEH
State: MI Zip Code: 49286

ARTICLE V

The name(s) and address(es) of the incorporator(s) is (are) as follows:

Name	Residence or Business Address
ALLEN D. ROBERTS	800 S. MAUMEE ST., TECUMSEH, MI 49286 USA

Use the space below for additional Articles or for continuation of previous Articles. Please identify any Article being continued or added.

ARTICLE VI

ANY ACTION REQUIRED OR PERMITTED TO BE TAKEN AT ANNUAL OR SPECIAL MEETING OF MEMBERS MAY BE TAKEN WITHOUT A MEETING, WITHOUT PRIOR NOTICE AND WITHOUT A VOTE, IF A CONSENT IN WRITING, SETTING FORTH THE ACTION SO TAKEN, IS SIGNED BY MEMBERS HAVING NOT LESS THAN THE MINIMUM NUMBER OF VOTES THAT WOULD BE NECESSARY TO AUTHORIZE OR TAKE THE ACTION AT A MEETING AT WHICH ALL MEMBERS ENTITLED TO VOTE THEREIN WERE PRESENT AND VOTED. PROMPT NOTICE OF THE TAKING OF THE CORPORATE ACTION WITHOUT A MEETING BY LESS THAN THE UNANIMOUS WRITTEN CONSENT SHALL BE GIVEN TO MEMBERS WHO HAVE NOT CONSENTED IN WRITING.

ARTICLE VII

THE QUALIFICATIONS OF MEMBERS, THE MANNER OF THEIR ADMISSION TO THE ASSOCIATION, THE TERMINATION OF MEMBERSHIP, AND VOTING BY SUCH MEMBERS SHALL BE AS FOLLOWS:

1. THE MEMBERS OF THE ASSOCIATION SHALL BE THE OWNERS AND THE DECLARANT AS THOSE TERMS ARE DEFINED IN THE DECLARATION.
2. THE MEMBERS SHALL BE DIVIDED INTO CLASS A AND CLASS B. THE CLASS A MEMBERS SHALL BE THE OWNERS AS SUCH TERM IS DEFINED IN THE DECLARATION. THE CLASS B MEMBER SHALL BE THE DECLARANT AS THAT TERM IS DEFINED IN THE DECLARATION.
3. THE SHARE OF A MEMBER IN THE FUNDS AND ASSETS OF THE ASSOCIATION CANNOT BE ASSIGNED, PLEDGED ENCUMBERED OR TRANSFERRED IN ANY MANNER EXCEPT AS AN APPURTENANCE TO HIS UNIT IN THE PROJECT.
4. VOTING BY MEMBERS SHALL BE IN ACCORDANCE WITH THE PROVISIONS OF THE DECLARATION AND BY-LAWS OF THE ASSOCIATION.

ARTICLE VIII

THE MEMBERS OF THE BOARD SHALL BE VOLUNTEER DIRECTORS WITHIN THE MEANING OF THE ACT. A VOLUNTEER DIRECTOR SHALL NOT BE PERSONALLY LIABLE TO THE CORPORATION OR TO ITS MEMBERS FOR MONETARY DAMAGES FOR A BREACH OF THE DIRECTOR'S FIDUCIARY DUTY ARISING UNDER APPLICABLE LAW. HOWEVER, THIS ARTICLE SHALL NOT ELIMINATE OR LIMIT THE LIABILITY OF A DIRECTOR FOR ANY OF THE FOLLOWING:

1. A BREACH OF THE DIRECTOR'S DUTY OF LOYALTY TO THE CORPORATION OR ITS MEMBERS;
2. ACTS OR OMISSIONS NOT IN GOOD FAITH OR THAT INVOLVE INTENTIONAL MISCONDUCT OR KNOWING VIOLATION OF LAW;
 3. A VIOLATION OF MCL 450.2551;
4. A TRANSACTION FROM WHICH THE DIRECTOR DERIVED AN IMPROPER PERSONAL BENEFIT;
5. AN ACT OR OMISSION THAT IS GROSSLY NEGLIGENT; OR
6. AN ACT OR OMISSION OCCURRING BEFORE THE DATE ON WHICH THIS DOCUMENT IS FILED.

A VOLUNTEER DIRECTOR SHALL ONLY BE PERSONALLY LIABLE FOR MONETARY DAMAGES FOR A BREACH OF FIDUCIARY DUTY AS A

DIRECTOR TO THE CORPORATION AND ITS MEMBERS TO THE EXTENT SET FORTH IN THIS ARTICLE. ANY REPEAL OR MODIFICATION OF THIS ARTICLE SHALL NOT ADVERSELY AFFECT ANY RIGHT OR PROTECTION OF ANY VOLUNTEER DIRECTOR EXISTING AT THE TIME OF OR FOR ANY ACTS OR OMISSIONS OCCURRING BEFORE THE REPEAL OR MODIFICATION.

ARTICLE IX

THE CORPORATION ASSUMES LIABILITY FOR ALL ACTS OR OMISSIONS OF A VOLUNTEER OCCURRING AFTER THE DATE THIS ARTICLE IS FILED WITH THE MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS, PROVIDING ALL OF THE FOLLOWING CONDITIONS ARE MET:

1. THE VOLUNTEER WAS ACTING OR REASONABLY BELIEVED THAT HE OR SHE WAS ACTING WITHIN THE SCOPE OF HIS OR HER AUTHORITY;
2. THE VOLUNTEER WAS ACTING IN GOOD FAITH;
3. THE VOLUNTEERS CONDUCT DID NOT AMOUNT TO GROSS NEGLIGENCE OR WILLFUL AND WANTON MISCONDUCT;
4. THE VOLUNTEERS CONDUCT WAS NOT AN INTENTIONAL TORT; AND
5. THE VOLUNTEERS CONDUCT WAS NOT A TORT ARISING OUT OF THE OWNERSHIP, MAINTENANCE OR USE OF A MOTOR VEHICLE FOR WHICH TORT LIABILITY MAY BE IMPOSED AS PROVIDED IN MCL 500.3135 OF THE INSURANCE CODE OF 1956, ACT NO. 218 OF THE PUBLIC ACTS OF 1956.

ARTICLE X

NO CONTRACT OR OTHER TRANSACTION BETWEEN THIS CORPORATION AND ANY OTHER CORPORATION, FIRM, OR ASSOCIATION SHALL BE SUBJECT TO CANCELLATION (OTHER THAN AS PROVIDED BY MCL 559.101 ET SEQ.) BY THE FACT THAT ANY ONE OR MORE OF THE DIRECTORS OR OFFICERS OF THE CORPORATION ARE INTERESTED IN OR ARE DIRECTORS OR OFFICERS OF THE OTHER CORPORATION, FIRM, OR ASSOCIATION; AND ANY DIRECTOR OR OFFICER MAY INDIVIDUALLY BE A PARTY TO OR BE INTERESTED IN ANY CONTRACT OR TRANSACTION OF THE CORPORATION. HOWEVER, THE CONTRACT OR OTHER TRANSACTION MUST BE FAIR AND REASONABLE TO THE CORPORATION WHEN IT IS AUTHORIZED, APPROVED, OR RATIFIED; AND THE MATERIAL FACTS OF THE RELATIONSHIP OR INTEREST MUST BE DISCLOSED OR KNOWN TO THE BOARD OR COMMITTEE WHEN IT AUTHORIZED, APPROVED, OR RATIFIED THE CONTRACT OR TRANSACTION BY A VOTE SUFFICIENT FOR THE PURPOSE WITHOUT COUNTING THE VOTE OF THE INTERESTED DIRECTOR OR OFFICER. EVERY PERSON WHO MAY BECOME A DIRECTOR OR AN OFFICER OF THE CORPORATION IS RELIEVED FROM ANY LIABILITY THAT MIGHT OTHERWISE EXIST FROM CONTRACTING WITH THE CORPORATION FOR THE BENEFIT OF THE OFFICER OR DIRECTOR OR ANY FIRM, ASSOCIATION, OR CORPORATION IN WHICH THE OFFICER OR DIRECTOR MAY OTHERWISE HAVE AN INTEREST AS SET FORTH IN THESE ARTICLES.

ARTICLE XI

THESE ARTICLES OF INCORPORATION MAY BE AMENDED, ALTERED, CHANGED, OR REPEALED ONLY BY THE AFFIRMATIVE VOTE OF NOT LESS THAN 67% OF THE ENTIRE MEMBERSHIP OF THE ASSOCIATION; PROVIDED, THAT NO EVENT SHALL ANY AMENDMENT MAKE CHANGES IN THE QUALIFICATION FOR THE MEMBERSHIP OR THE VOTING RIGHTS OF MEMBERS WITHOUT THE UNANIMOUS CONSENT OF THE MEMBERSHIP.

ARTICLE XII

IF THE EXISTENCE OF THE CORPORATION IS TERMINATED FOR ANY REASON, ALL ASSETS OF THE CORPORATION REMAINING AFTER THE PAYMENT OF OBLIGATIONS IMPOSED BY APPLICABLE LAW SHALL BE DISTRIBUTED AMONG THE MEMBERS OF THE CORPORATION IN THE SAME PROPORTION THAT EACH MEMBER'S INTEREST IN THE COMMON ELEMENTS OF THE PROJECT BEARS TO THE TOTAL OF THE INTERESTS.

Signed this 27th Day of December, 2018 by the incorporator(s).

Signature	Title	Title if "Other" was selected
Michael R. Olsaver	Attorney In Fact	

By selecting ACCEPT, I hereby acknowledge that this electronic document is being signed in accordance with the Act. I further certify that to the best of my knowledge the information provided is true, accurate, and in compliance with the Act.

Decline Accept

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

FILING ENDORSEMENT

This is to Certify that the ARTICLES OF INCORPORATION

for

LONE OAK OF RED MILL POND COMMUNITY ASSOCIATION

ID Number: 802269047

received by electronic transmission on December 27, 2018 ***, is hereby endorsed.***

Filed on December 28, 2018, ***by the Administrator.***

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



In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 28th day of December, 2018.

Julia Dale, Director

Corporations, Securities & Commercial Licensing Bureau



THE CONDOMINIUM BUYER'S HANDBOOK

The Condominium Buyer's Handbook is created by the Michigan Department of Licensing and Regulatory Affairs as required by the Condominium Act (PA 59 of 1978, as amended).
This edition includes Public Act 134 of 2013 amendments.

PREFACE

The Department of Licensing & Regulatory Affairs has NO authority to enforce or regulate any provisions of the Act or the bylaws of condominium developments.

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

Although the Department of Licensing and Regulatory Affairs is the designated administrator in the Act, the Legislature repealed the Department's regulatory and enforcement responsibilities in 1983.

Additional information may be found on our website at: www.michigan.gov/condo

NOTE: A person or association of co-owners adversely affected by a violation of, failure to comply with, the Condominium Act, administrative rules, or any provision of your bylaws or master deed may take action in a court of competent jurisdiction.

CONDOMINIUM OWNERSHIP

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

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

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

READ THE BYLAWS

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

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

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

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

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

PRELIMINARY RESERVATION AGREEMENTS

A preliminary reservation agreement gives you the opportunity, for a specified time, to purchase a particular condominium unit upon sale terms to be determined later. The developer must place the payment you make in an escrow account with an escrow agent. If you make a payment under a preliminary reservation agreement and cancel the agreement, the developer must fully refund the money. If you enter into a purchase agreement, the developer must credit the payment toward any payment due in the purchase agreement.

PURCHASE AGREEMENTS

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

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

Some issues to consider before buying include the following:

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

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

DOCUMENTS THE DEVELOPER MUST PROVIDE

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

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

ASSOCIATION OF CO-OWNERS (CONDOMINIUM BOARD)

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

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

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

Associations are required by law to keep books and records with a detailed account of the expenditures and receipts affecting the project and its administration, and which specify the operating expenses. The developer must

provide a disclosure statement itemizing the association's budget at the time you receive the master deed.

Associations are required to maintain a reserve fund for major repairs and replacement of common elements. The minimum amount is 10% of the annual budget on a non-cumulative basis. If the association needs additional funds for major repairs, they may have the right to assess each owner. Monthly fees and assessments are a lien on the condominium unit. You may not be exempt from monthly fees and assessments by nonuse of the common elements or by abandonment of the condominium unit.

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

DOCUMENTS THE ASSOCIATION MUST PROVIDE

The association must provide a financial statement annually to each co-owner. The books, records, and contracts concerning the administration and operation of the condominium project must be available for examination by any of the co-owners at convenient times. An association with annual revenues more than \$20,000 shall have its books, records, and financial statements independently audited or reviewed by a certified public account on an annual basis. However, such an association may opt out of the requirement for an independent audit or review by a certified public account by an affirmative vote. The association must keep current copies of the master deed, all amendments to the master deed, and other condominium documents available at reasonable hours to co-owners, prospective purchasers and prospective mortgagees.

SITE CONDOMINIUMS

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

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

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

the Land Division Act. Subdivisions developed pursuant to the Land Division Act must be approved for compliance with the Land Division Act before the developer may sell any real estate.

LIMITED OR GENERAL COMMON ELEMENTS

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

ADVISORY COMMITTEE

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

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

ELECTION OF ASSOCIATION OF CO-OWNERS BOARD OF DIRECTORS

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

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

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

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

developer has paid all assessments, the developer has the right to elect the number of board members equal to the percentage of units that are owned by the developer.

CONDOMINIUM DOCUMENTS

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

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

AMENDMENTS TO CONDOMINIUM DOCUMENTS

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

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

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

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

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

REMEDIES AVAILABLE PURSUANT TO THE CONDOMINIUM ACT

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

A person or association of co-owners adversely affected by a violation of, or failure to comply with, the Act, the administrative rules issued under the authority of the

Act, or any provision of an agreement or a master deed may take action in a court with jurisdiction. The court may award costs to the prevailing party.

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

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

For condominium projects established on or after May 9, 2002, the bylaws must contain a provision that disputes relating to the interpretation of the condominium documents or arising out of disputes among co-owners may be resolved through arbitration. Both parties must consent to arbitration and give written notice to the association. The decision of the arbitrator is final and the parties are prohibited from petitioning the courts regarding that dispute.

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

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

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

A person can not take action arising out of the development or construction of the common elements, or the management, operation, or control of a condominium project, more than three years from the transitional control date or two years from the date of the cause of the action, whichever occurs later. The transitional control

date is the date the board of directors takes office by an election where the co-owners' votes exceed the developer's votes for the board members.

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

Michigan Department of Licensing and Regulatory Affairs
Bureau of Corporations, Securities and Commercial Licensing
Enforcement Division
P. O. Box 30018
Lansing, MI 48909
Phone: (517) 241-9202
www.michigan.gov/lara

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

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

LEGAL REFERENCES

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