

KIRKWAY OF SCIO CONDOMINIUM
IN THE TOWNSHIP OF SCIO, WASHTENAW COUNTY, MICHIGAN

Dear Purchaser,

Welcome to Kirkway of Scio Condominium. This handbook includes the documents required by Michigan law for the formation of a condominium. It will serve as a resource for any questions you may have concerning the operation, maintenance and legal status of your condominium unit at Kirkway of Scio Condominium.

Thank you for purchasing a condominium unit at Kirkway of Scio Condominium.

Sincerely,

Kirkway of Scio Condominium

PURCHASER'S INFORMATION HANDBOOK

KIRKWAY OF SCIO CONDOMINIUM IN THE TOWNSHIP OF SCIO, WASHTENAW COUNTY, MICHIGAN

WASHTENAW COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 442

TABLE OF CONTENTS

Note: Documents are separated by colored sheets. Page numbers are internal to each document, and are not consecutive throughout this handbook.

DESCRIPTION	PAGE NO.
<u>DISCLOSURE STATEMENT</u>	
I. INTRODUCTION.....	1
II. THE CONDOMINIUM CONCEPT.....	1
III. DESCRIPTION OF THE PROJECT.....	2
A. Size and Scope of Project.....	2
B. Roads and Utilities.....	2
C. Sanitary and Storm Sewer Systems.....	2
D. Reserved Rights of Developer.....	3
1. Commercial Activities.....	3
2. Right to Amend.....	3
3. Modification of Units.....	3
4. Easements for Use of Utilities.....	3
5. Easements for Use of Roads and Other Common Elements.....	3
6. Other Easements.....	3
7. Architectural Approval.....	3
8. General.....	3
E. Wetlands.....	3
IV. LEGAL DOCUMENTATION.....	4
V. THE DEVELOPER'S BACKGROUND AND EXPERIENCE.....	4
VI. ADMINISTRATION OF THE PROJECT.....	5
VII. PROJECT WARRANTIES.....	5
VIII. ESCROW REQUIREMENTS.....	5
IX. BUDGET AND ASSESSMENTS.....	6

X. RESTRICTIONS.....	6
XI. ENFORCEMENT PROVISIONS.....	7
XII. INSURANCE.....	7
XIII. PUBLIC ROADS, PRIVATE DRIVES AND EASEMENTS.....	8
XIV. REAL ESTATE TAXES.....	9
XV. RIGHTS AND OBLIGATIONS AS BETWEEN DEVELOPER AND CO-OWNER.....	9
A. Before Closing.....	9
B. At Closing.....	9
C. Subsequent to Closing.....	10
XVI. RADON GAS.....	10
XVII. MOLD.....	10
XVIII. FLOOD PLAIN.....	12
XIX. LEGAL MATTERS.....	12
EXHIBITS A-D	

MASTER DEED

RECITALS.....	1
ARTICLE I. THE PROJECT.....	1
Section 1. General.....	1
Section 2. The Units.....	2
ARTICLE II. LEGAL DESCRIPTION.....	2
ARTICLE III. DEFINITIONS.....	2
Section 1. General.....	2
Section 2. Definitions.....	3
ARTICLE IV. COMMON ELEMENTS.....	6
Section 1. General Common Elements.....	6
Section 2. Limited Common Elements.....	7
Section 3. Responsibilities.....	8
3.1 Co-owners.....	8
3.2 Association.....	8
Section 4. Governmental Right to Cure Deficiencies.....	9
Section 5. Association Approval.....	9
Section 6. Inseparability and Use of Units.....	10
Section 7. Utility Systems.....	10
Section 8. Open Spaces.....	10

ARTICLE V. UNIT DESCRIPTIONS AND PERCENTAGES OF VALUE	11
Section 1. Description of Units	11
Section 2. Percentages of Value	11
Section 3. Modification	11
ARTICLE VI. SUBDIVISION, CONSOLIDATION AND OTHER MODIFICATIONS	12
Section 1. By Developer	12
Section 2. By Co-owners	12
Section 3. Limited Common Elements	12
Section 4. Construction of Improvements on Units	12
ARTICLE VII. EASEMENTS	13
Section 1. Reserved to Developer	13
Section 2. Utilities	13
Section 3. Telecommunications	14
Section 4. Support	14
Section 5. Maintenance of Encroachments	14
Section 6. Maintenance of Sanitary and Storm Sewer Systems	14
Section 7. Neighborhood Conservation	15
Section 8. Maintenance of Other General Common Elements	16
Section 9. Emergency Vehicles	16
Section 10. Additional Easements	16
Section 11. Modifications	16
Section 12. Appurtenance	16
ARTICLE VIII. AMENDMENTS	16
Section 1. By Developer	16
Section 2. By Developer and Co-owners	16
Section 3. Consent of Scio Township	17
Section 4. Consent of County Officials	17
Section 5. Recordation	18
Section 6. Effect of Improper Amendment	18
ARTICLE IX. TERMINATION OF PROJECT	18
Section 1. By Developer	18
Section 2. By Developer and Co-owners	18
Section 3. Consent of Scio Township	18
Section 4. Effect of Improper Termination	18
ARTICLE X. MISCELLANEOUS	19
Section 1. Term	19
Section 2. Notices	19
Section 3. Interpretation	19
Section 4. No Public Right of Dedication	19
Section 5. Constructive Notice and Acceptance	19
Section 6. No Representations or Warranties	20
Section 7. Association Approval, Action or Consent	20
Section 8. Assignment	20

CONDOMINIUM BYLAWS

ARTICLE I. THE CONDOMINIUM PROJECT	1
Section 1. Organization	1
Section 2. Compliance	1
Section 3. Condominium Bylaws	1
ARTICLE II. RESTRICTIONS	1
Section 1. Building Restrictions	1
1.1 Residential Use	1
1.2 Architectural Control	2
1.3 Architectural Design Guidelines	2
1.4 Landscaping Guidelines	4
1.5 Architectural Approval Process	5
1.6 Construction Regulations	6
1.7 Reserved Right of Developer to Construct Improvements	7
1.8 Limitation on Liability	7
Section 2. Use Restrictions	7
2.1 Reserved Rights of Developer	7
2.2 Unit Maintenance	8
2.3 Lawn Maintenance	8
2.4 Landscaping	8
2.5 Seasonal Protection	8
2.6 Nuisances; Quiet Enjoyment	8
2.7 Activities	8
2.8 Pets	8
2.9 Vehicles and Trailers	9
2.10 Temporary Structures	9
2.11 Trash Disposal	9
2.12 Aesthetics	9
2.13 Walls and Fences	9
2.14 Antennae	9
2.15 Non-Disturbance of Wetlands	10
2.16 Preservation of Open Spaces	10
2.17 Leasing, Rental and Sale of Units	10
2.18 Rules of Conduct	11
2.19 Remedies on Breach	11
Section 3. Developer's Right to Waive or Amend Restrictions	12
Section 4. Laws and Ordinances	12
ARTICLE III. MEMBERSHIP AND VOTING	12
Section 1. Membership	12
Section 2. Voting Rights	13
Section 3. Members Entitled to Vote	13
Section 4. Proxies	13
Section 5. Majority	13

ARTICLE IV. MEETINGS AND QUORUM.....	13
Section 1. Place of Meeting.....	13
Section 2. Initial Meeting of Members.....	13
Section 3. Annual Meeting of Members; Notice.....	14
Section 4. Special Meeting.....	14
Section 5. Notice of Meeting.....	14
Section 6. Advisory Committee.....	14
Section 7. Quorum of Members.....	14
Section 8. Order of Business.....	15
Section 9. Action Without Meeting.....	15
Section 10. Consent of Absentees.....	15
Section 11. Minutes; Presumption of Notice.....	15
ARTICLE V. ADMINISTRATION.....	15
Section 1. Board of Directors.....	15
Section 2. Election and Composition of the Board of Directors.....	16
Section 3. Powers and Duties.....	17
Section 4. Managing Agent; Contracts.....	18
Section 5. Vacancies.....	18
Section 6. Removal.....	18
Section 7. First Meeting.....	19
Section 8. Regular Meetings.....	19
Section 9. Special Meetings.....	19
Section 10. Waiver of Notice.....	19
Section 11. Quorum.....	19
Section 12. First Board of Directors.....	19
Section 13. Fidelity Bonds.....	20
ARTICLE VI. OFFICERS.....	20
Section 1. Officers.....	20
Section 2. Election.....	20
Section 3. Removal.....	20
Section 4. Duties.....	21
ARTICLE VII. INDEMNIFICATION.....	21
ARTICLE VIII. FINANCE.....	21
Section 1. Accounting Records.....	21
Section 2. Fiscal Year.....	21
Section 3. Bank.....	21
Section 4. Reserve Fund.....	21
ARTICLE IX. ASSESSMENTS.....	22
Section 1. Administration Expenses and Receipts Defined.....	22
Section 2. Determination of Assessments.....	22
Section 3. Levy of Assessments.....	22
Section 4. Special Assessments.....	23
Section 5. Collection of Assessments.....	23
Section 6. Obligations of the Developer.....	23
Section 7. Exempt Property.....	24
Section 8. Township Assessments.....	24

ARTICLE X. TAXES, INSURANCE, REPAIRS AND EMINENT DOMAIN	24
Section 1. Taxes	24
Section 2. Insurance	24
Section 3. Maintenance and Repair	26
Section 4. Reconstruction and Repair	26
Section 5. Eminent Domain	27
ARTICLE XI. MORTGAGES AND LIENS	28
Section 1. Mortgage of Condominium Units	28
Section 2. Construction Liens	29
ARTICLE XII. ARBITRATION	29
Section 1. Submission to Arbitration	29
Section 2. Disputes Involving the Developer	29
Section 3. Preservation of Rights	29
ARTICLE XIII. MISCELLANEOUS PROVISIONS	29
Section 1. Severability	29
Section 2. Notices	30
Section 3. Amendments	30

CONDOMINIUM SUBDIVISION PLAN

AFFIDAVIT OF MAILED NOTICES

ARTICLES OF INCORPORATION FOR KIRKWAY OF SCIO CONDOMINIUM ASSOCIATION, INC., A DOMESTIC NONPROFIT MEMBERSHIP CORPORATION

ARTICLE I. NAME	1
ARTICLE II. PURPOSES	1
ARTICLE III. LOCATION AND ADDRESS	2
ARTICLE IV. FINANCE	2
ARTICLE V. INCORPORATOR	2
ARTICLE VI. TERM	2
ARTICLE VII. MEMBERSHIP	2
ARTICLE VIII. ACTION	3
ARTICLE IX. CONTRACTS	3
ARTICLE X. LIABILITY OF DIRECTORS	3

ARTICLE XI. AMENDMENT.....4

ARTICLE XII. DISTRIBUTION OF ASSETS UPON TERMINATION.....4

ESCROW AGREEMENT

NOTICE TO PURCHASERS

DISCLOSURE STATEMENT

DISCLOSURE STATEMENT

KIRKWAY OF SCIO CONDOMINIUM
IN THE TOWNSHIP OF SCIO, WASHTENAW COUNTY, MICHIGAN
WASHTENAW COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 442

DEVELOPER

CURTIS-A&M SCIO LLC
40028 Grand River Ave., Ste. 350
Novi, Michigan 48375

KIRKWAY OF SCIO CONDOMINIUM IS A RESIDENTIAL SITE CONDOMINIUM PROJECT LOCATED IN THE TOWNSHIP OF SCIO, WASHTENAW COUNTY, MICHIGAN, AND IS BEING CONSTRUCTED BY CURTIS-A&M SCIO LLC TO COMPRISE UP TO 44 RESIDENTIAL UNITS.

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

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

DISCLOSURE STATEMENT

KIRKWAY OF SCIO CONDOMINIUM IN THE TOWNSHIP OF SCIO, WASHTENAW COUNTY, MICHIGAN

WASHTENAW COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 442

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	THE CONDOMINIUM CONCEPT	1
III.	DESCRIPTION OF THE PROJECT	2
	A. SIZE AND SCOPE OF PROJECT	2
	B. ROADS AND UTILITIES.....	2
	C. SANITARY AND STORM SEWER SYSTEMS	2
	D. RESERVED RIGHTS OF DEVELOPER	3
	1. Commercial Activities.....	3
	2. Right to Amend.....	3
	3. Modification of Units	3
	4. Easements for Use of Utilities	3
	5. Easements for Use of Roads and Other Common Elements	3
	6. Other Easements.....	3
	7. Architectural Approval.....	3
	8. General.....	3
	E. WETLANDS.....	3
IV.	LEGAL DOCUMENTATION	4
V.	THE DEVELOPER'S BACKGROUND AND EXPERIENCE	4
VI.	ADMINISTRATION OF THE PROJECT	5
VII.	PROJECT WARRANTIES.....	5
VIII.	ESCROW REQUIREMENTS	5
IX.	BUDGET AND ASSESSMENTS.....	6
X.	RESTRICTIONS	6
XI.	ENFORCEMENT PROVISIONS	7
XII.	INSURANCE.....	7

XIII. PUBLIC ROADS, PRIVATE DRIVES AND EASEMENTS	8
XIV. REAL ESTATE TAXES	9
XV. RIGHTS AND OBLIGATIONS AS BETWEEN DEVELOPER AND CO-OWNER.....	9
A. BEFORE CLOSING	9
B. AT CLOSING.....	9
C. SUBSEQUENT TO CLOSING.....	10
XVI. RADON GAS.....	10
XVII. MOLD	10
XVIII.FLOOD PLAIN	12
XIX. LEGAL MATTERS	12
EXHIBITS A-D	

DISCLOSURE STATEMENT

KIRKWAY OF SCIO CONDOMINIUM IN THE TOWNSHIP OF SCIO, WASHTENAW COUNTY, MICHIGAN

WASHTENAW COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 442

I. Introduction

Kirkway of Scio Condominium is a residential site condominium project being constructed by Curtis-A&M Scio, LLC to consist of up to 44 building sites, each of which is a separate Condominium Unit.

The definitions provided in Article III, Section 2 of the Master Deed apply in this Disclosure Statement unless the context requires otherwise.

II. The Condominium Concept

Condominium development in Michigan is governed largely by a statute called the Michigan Condominium Act, MCLA 559.101 *et seq.*, MSA 26.50(101) *et seq.* (the "Act"), and by rules adopted by the Michigan Department of Consumer and Industry Services, the state agency that administers the Act. In this document, the Developer states the material facts about the project and the parties involved in its development that it believes will satisfy the needs of the average buyer. This Disclosure Statement, together with copies of the legal documents intended for the creation and operation of the project, are furnished to each buyer to fulfill the requirement of the Act that the Developer disclose to prospective purchasers the characteristics of the Condominium Units that are offered for sale. These documents constitute the only authorized description of Kirkway of Scio Condominium and none of the Developer's sales agents or other representatives may vary its terms.

A Condominium is a form of real property ownership. Under Michigan law, a Condominium Unit 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 with the register of deeds of the county where the project is located.

Each owner of a Condominium Unit, or "Co-owner," owns the Unit that includes the Co-owner's residence, for which the Co-owner receives a warranty deed. A Co-owner is one of a number of mutual owners of common facilities, the "Common Elements," that serve both the Co-owner's Unit and other Units in the project. The Units and the Common Elements (which are legally inseparable from the Units) are generally described in the Master Deed. Each Unit's boundaries are shown in the Condominium Subdivision Plan, which is attached as an exhibit to the Master Deed. All parts of the project that are not included within the Units constitute the Common Elements and are owned by all Co-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 Co-owners. All other Common Elements are "General Common Elements."

The relatively close proximity of residents dictates that certain restrictions and obligations be imposed on each Co-owner for the benefit of all. Such restrictions are stated in the Master Deed, which are recorded as part of the Master Deed. All the Condominium Documents are prepared with the goal of allowing each Co-owner a maximum amount of individual freedom without allowing any one Co-owner to infringe on the rights and interests of the group at large. All Co-owners and residents must be familiar with and abide by the restrictions if a Condominium project is to be an enjoyable place to live.

This Disclosure Statement is not a substitute for the Master Deed, the Condominium Buyer's Handbook, or other applicable legal documents. Buyers should read all such documents to fully acquaint themselves with the project and their rights and responsibilities relating to it. It is recommended that buyers consult an attorney or other professional advisor before purchasing a Condominium Unit.

III. Description of the Project

A. Size and Scope of Project. Kirkway of Scio Condominium is a residential site condominium project located in Scio Township, Michigan. The project shall consist of up to 44 Condominium Units when it is completed.

The land, streets and landscaping not located within the boundaries of a Unit, and common utility systems, are all General Common Elements, owned and used in common by all Co-owners. Individual Co-owners may also have exclusive rights to use the Limited Common Elements of the project, if any.

B. Roads and Utilities. Kirkway of Scio Condominium is served by private roads, and gas, electric and telephone service. Gas service is furnished by Consumers Power Company, and will be individually metered to each Unit for payment by the Co-owner. Electricity is furnished by DTE Energy Company, and telephone service is provided by SBC; each is billed individually to the Co-owner. The costs of maintaining the roads and other utility systems serving the project, to the extent those systems are located within the project boundaries (and except as otherwise described below), will be borne by the Association. The Developer may dedicate the roads to the public during the period of development. The water supply system of the project is provided by connections to the public water provided by Scio Township.

C. Sanitary and Storm Sewer Systems. The project has a sanitary sewage disposal system that connects to the public sanitary sewer provided by Scio Township. The project also has a storm drainage sewer system, which includes a storm water retention facility located within the project. The provisions regarding the ownership, operation, maintenance, repair and replacement of the sanitary and storm sewer systems are contained in the Condominium Documents. It is strongly recommended that you read those documents carefully and thoroughly. Should the Developer or the Condominium Association fail to comply with the requirements of Scio Township, the Township may, with or without notice, enter onto the property, and perform any necessary maintenance, repair and replacement. The Condominium Documents provide for reimbursement to the Township all of its costs in doing so, plus a 15% administration fee, and allows the Township to take any action allowed under law to recover its costs, including levying special assessments against the Condominium Units served by the system or adding those costs to the Township tax roll.

D. Reserved Rights of Developer.

1. **Commercial Activities.** Until all of the Units in the project have been sold, the Developer has reserved the right to maintain on the Condominium premises a sales office, business office, model Units, storage areas, reasonable parking incident to the use of such areas, and such access to, from and over the Condominium premises as may be reasonable to enable development and sale of the entire project.

2. **Right to Amend.** The Developer has reserved the right to amend the Master Deed without approval from the Co-owners and mortgagees for the purpose of correcting errors and for any other purpose so long as the amendment would not materially alter the rights of an owner or mortgagee. Further, certain provisions of the Master Deed cannot be amended without the approval of the Developer and/or Township. Finally, any Co-owner, including the Developer, has the right to subdivide or combine certain Units owed by that Co-owner, subject to Township approval.

3. **Modification of Units.** The Developer has reserved the right to modify the size, location, design or elevation of Units and/or Common Elements by amendment to the Master Deed. Such modifications shall be in the sole discretion of the Developer without the consent of any other person.

4. **Easements for Use of Utilities.** The Developer has reserved easements for use of the utilities and cable within the Condominium. The Developer has reserved for itself an easement to utilize, tap, tie into, extend and enlarge all utility mains in the Condominium in connection with the current use and/or withdrawal of any land described in Article II of the Master Deed.

5. **Easements for Use of Roads and Other Common Elements.** The Developer has reserved easements and rights of use for the current Owner(s) of the land and for itself, its successors and assigns, over any roadways, parking areas and walkways in the Condominium for the purpose of ingress and egress to and from any portion of any land described in Article II of the Master Deed.

6. **Other Easements.** The Developer has reserved such easements to, from and over the project (including all Units and Common Elements) as may be required to perform any of the Developer's maintenance, repair, landscape or replacement obligations, and to provide permanent access to any adjacent land owned by the Developer or its affiliates.

7. **Architectural Approval.** In order to maintain quality, integrity and compatibility of construction throughout the project, the Developer has retained the right to approve all construction plans prior to construction of a dwelling on a site in the Project.

8. **General.** In the Condominium Documents, certain other rights and powers are granted or reserved to the Developer to facilitate the development and sale of the project as a Condominium, including the power to approve or disapprove a variety of proposed acts and uses and the power to secure representation on the Association's Board of Directors.

E. Wetlands. Certain areas of the project have been designated as wetlands, which are located within the storm water easements shown on the Condominium Subdivision Plan. Those areas are to remain undisturbed.

IV. Legal Documentation

Kirkway of Scio Condominium has been established as a condominium project pursuant to a Master Deed recorded in the Washtenaw County records, a copy of which is delivered with this Disclosure Statement together with any and all amendments thereto. The original master deed includes the Master Deed and the Condominium Subdivision Plan, a three-dimensional survey establishing the physical relationship and location of each of the Units in the project, as exhibits. Other Condominium Documents include the Articles of Incorporation and the rules and regulations adopted by the Association.

The **Master Deed** contains the definitions of terms used in the legal documents, the percentage of value assigned to each Unit, a general description of both the Limited Common Elements and the General Common Elements, and a statement about the responsibilities of the individual Co-owners and of the Association for maintaining the Common Elements. The Master Deed also reserves to the Developer the right to convert an area of the project within defined limits and to modify the number, size, style and location of any Units or Common Elements in the project that are shown as "proposed" in the Condominium Subdivision Plan, by an amendment or a series of amendments to the Master Deed. Such amendments do not require the consent of any Co-owner or mortgagee as long as the changes do not unreasonably impair or diminish the appearance of the project or the view, privacy, or other 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 provisions relating to both regular and special assessment of the members to pay for the costs of operating the project. Restrictions on the ownership, occupancy and use of Condominium Units in the project are listed, together with provisions allowing the Association to adopt additional rules and regulations governing the use of the Units and the Common Elements.

The **Condominium Subdivision Plan** contains a survey of the Condominium property showing the location of all Units and utilities. Elevations of individual Units are also depicted in the Condominium Subdivision Plan, together with those Common Elements that can be shown on the drawings.

V. The Developer's Background and Experience

The Developer, Curtis-A&M Scio LLC, is a Michigan limited liability company and licensed residential builder. The company was formed in 2001 for the purpose of developing Kirkway of Scio Condominium. The company itself therefore has no prior experience developing condominium projects. The principals of Curtis-A&M Scio LLC, however, have been building residential communities since 1989, including Morgan Creek, The Preserve on Fellows Creek and portions of Cherry Hill Village in Canton; Woodwind Village, Woodwind Glens and Kirkway Estates in Lyon Township; and Kirkway Ravines in Farmington Hills.

VI. Administration of the Project

The responsibility for managing and maintaining the project is vested in the Kirkway of Scio Condominium Association, which has been incorporated as a nonprofit membership corporation under Michigan law. Each Condominium Co-owner automatically becomes a member of the Association when the person purchases a Unit in the project. The Co-owner of each Unit is entitled to one vote at all meetings of the Association.

A Board Of Directors shall be elected by the Co-owners of the Units comprising Kirkway of Scio Condominium. The first election shall take place at the initial meeting of the members of the Association, which is required to be held within 120 days after legal or equitable title to 75 percent of the Units which may be created have been conveyed to nondeveloper Co-owners (but no later than 54 months after the first conveyance of title to such a nondeveloper Co-owner). The composition of the Board of Developer representatives and nondeveloper Co-owners will be adjusted from time to time under the formula stated in the Master Deed.

The Condominium Bylaws of the Association permit it to hire a professional manager or a 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 the authority of the Michigan Department of Consumer and Industry Services, a copy of which has already been furnished to you by the Developer and/or its agent.

VII. Project Warranties

No warranties are provided unless specifically stated in your purchase agreement.

VIII. Escrow Requirements

MCLA 559.183, MSA 26.50(183) requires that all reservation deposits received from prospective purchasers under preliminary reservation agreements must be deposited in an escrow account with an authorized escrow agent. If a prospective purchaser decides to cancel the preliminary reservation agreement, the purchaser's deposit must be refunded within three business days after the notice of cancellation is received.

MCLA 559.184, MSA 26.50(184) provides that all payments received from prospective purchasers under purchase agreements must also be deposited in the escrow account and must be refunded if the purchase agreement is canceled within nine (9) business days after the purchaser receives the Condominium Documents that the Developer must give the purchaser under MCLA 559.184a, MSA 26.50(184a). When the withdrawal period expires, the Developer must retain sufficient amounts in the escrow account or provide other adequate security as provided in MCLA 559.203b, MSA 26.50(203b) to ensure the completion of the uncompleted structures and necessary improvements in the Condominium Documents.

Sufficient funds will therefore need to be retained to ensure completion of all utility mains and leads, all major structural components of the buildings, all building exteriors, and all sidewalks, driveways, landscaping, and access roads appurtenant to the Units.

IX. Budget and Assessments

The Master Deed require that the Board Of Directors adopt an annual budget for operating the project. The initial budget was formulated by the Developer to provide for the normal and reasonably predictable expenses of administering the project, including a reserve for the replacement of major structural components of the buildings and other Common Elements as needed in the future. An estimated budget is attached to this statement as **Exhibit A**. The amount projected as expenses for the first year of operation is \$19,118.00, which does not include expenses for gas, interior electric, or telephone services, which are individually metered and must be paid directly by each Co-owner. The estimated budget also does not include real estate or personal property taxes assessable against the Association or the Units, for which the Co-owners will bear ultimate responsibility. At this time it is impossible to accurately determine the amount of property taxes because those taxes are a function of both property values and tax rates, either of which can rise or fall. The amount of the taxes will be determined by the assessor for the Township of Scio.

Because the estimated budget must necessarily be prepared in advance, it reflects estimates of expenses based on past experience. These estimates may prove to be inaccurate during actual operations on account of such factors as increases in the cost of goods and services, the need to repair or replace Common Elements, or property improvements. If such cost increases occur, the budget will need to be revised accordingly.

THE DEVELOPER DOES NOT REPRESENT OR WARRANT THE ACCURACY OF THE CURRENT BUDGET AND NO REPRESENTATIONS OR WARRANTIES ARE TO BE CONSTRUED FROM ANY PORTION OF THE CURRENT BUDGET.

The Developer is responsible for actual costs that the Association incurs that are directly related to Units that the Developer owns. The Association's only other source of revenue to fund the budget is the assessment of its members.

Each Co-owner must pay an annual assessment which is determined by dividing the projected budget expenses by the number of completed Units in the project.

To provide working capital, each purchaser must pay to the Association at the closing both the *pro rata* share of the annual assessment for the Unit and an additional sum equal to two months' assessments for the Association reserves. The reserve deposit is not refundable and will not apply as a credit against any future assessments. The Board of Directors may also levy special assessments to cover expenses that are not anticipated in the budget, as permitted by the Master Deed.

X. Restrictions

Co-owners of Condominium Units will be bound by various use and occupancy restrictions applying to both the Condominium Units and the Common Elements, and described in the Master Deed and Condominium Bylaws. For example, there are prohibitions against altering the structure or the exterior appearance of any Unit or limited common element; parking recreational vehicles, boats, and trailers on the Condominium property; renting Units for less than prescribed periods of time; and keeping pets without written permission from the Board of Directors of the Association.

In addition, the project is subject to the terms and provisions of the following:

1. A judgment recorded in Liber 1449, Page 667, Washtenaw County Records;
2. A judgment recorded in Liber 2998, Page 192, Washtenaw County Records; and
3. Restrictions and Covenants recorded in Liber 3093, Page 159, Washtenaw County Records.

Copies of the above-mentioned documents are attached as **Exhibits B, C and D**, respectively. It is impossible to paraphrase all the restrictions without risking the omission of some restriction that might be significant to a particular purchaser. Consequently, each buyer should carefully review the Master Deed, Condominium Bylaws and the attached judgments and restrictive covenants to be sure that an important intended use is not restricted. None of the restrictions prohibit the Developer from carrying on sales activities as long as the Developer is selling Units in the Condominium.

XI. Enforcement Provisions

Compliance with use restrictions may be enforced by the levy of fines or by a legal action seeking damages or an injunction against the offending Co-owner. The Board of Directors may also take direct action to correct any condition that violates the Master Deed, Condominium Bylaws or rules and regulations promulgated by the Association from time to time, or elect to discontinue furnishing services to the Unit involved on seven days' notice to the Co-owner in default. If a Co-owner does not pay assessments when they are due, the Association may charge the owner reasonable interest or assess late charges from the due date. The Association is also given a lien on the Unit that may be enforced as described above or by foreclosure proceedings as provided by the Michigan Condominium Act. Co-owners should be aware, however, that MCLA 559.158, MSA 26.50(158) provides that if the holder of a first mortgage or other purchaser obtains title to a Unit as the result of a foreclosure of that mortgage, the holder of the first mortgage or a subsequent purchaser is not liable for unpaid assessments for that Unit that became due before the foreclosure. Such unpaid assessments are common expenses that are collectible from all Unit Co-owners.

XII. Insurance

The Condominium Documents require that the Association carry fire and extended coverage insurance for vandalism and malicious mischief and liability insurance and worker compensation insurance (if applicable) for all the Common Elements of the project. Such policies may contain deductible clauses, which may result in the Association bearing part of a loss. The Board of Directors is responsible for obtaining this insurance coverage for the Association, and each Co-owner's *pro rata* share of the annual Association insurance premiums is included in the assessment. Notwithstanding the foregoing, the Developer has agreed to maintain fire and general liability insurance policies covering each Unit, and the Common Elements appurtenant thereto until such Unit is sold to non-developer Co-owner(s), at which point the Association shall bear the aforementioned responsibility to insure the Common Elements appurtenant to the Unit sold. The insurance policy carried by the Association will name the Association as the insured party. In the event of any insured casualty affecting the Condominium, insurance proceeds would be paid to or

on behalf of the Association, and administered by the Association in accordance with the applicable provisions of the Bylaws.

THE INSURANCE COVERAGE PROVIDED BY THE ASSOCIATION WILL NOT COVER THE CONDOMINIUM UNITS OR RESIDENCES BUILT THEREON. Coverage will not include property of a Co-owner that is located outside the Unit on the grounds of the project or on a limited common element appurtenant to a Unit. All Co-owners are cautioned, therefore, that it is their responsibility to insure their Units (including subsequently acquired appliances and fixtures), their contents, and any improvements paid for by the Co-owner. Each Co-owner must also obtain personal liability coverage against injury to persons or damage to property resulting from accidents in and around the Co-owner's Condominium Unit. An insurance agent should be consulted to decide what coverage will be needed. Without such coverage, a Co-owner is uninsured for any loss that occurs within the Co-owner's Unit or to the Co-owner's property or guests.

XIII. Public Roads, Private Drives and Easements

Staebler Road is a public road that passes adjacent and provides access to the project. As a public road, Staebler Road is maintained and plowed by the city. The project is subject to the rights of the public over that part of the project used for Staebler and Jackson roads.

However, all private roads within the project, as well as certain walkways, are General Common Elements of the project and must be cleared, maintained, and repaired as needed by the Association. Expenses for these services will ultimately be paid by the Co-owners as part of their assessment fees. All such private roadways will require some routine maintenance, although it is impossible to estimate just how much maintenance might be required in any given year since their life expectancy will vary depending on the type of use, weather conditions and degree of maintenance.

Driveways serving individual Units, and walkways adjacent or appurtenant to, or located within the Unit boundaries, are Limited Common Elements. As such, the responsibility and expense of clearing, maintaining and repairing such driveways and walkways shall be borne by the appropriate Co-owners.

The Condominium premises will also be subject to a number of easements. The Master Deed describes certain reciprocal easements granted to Co-owners and to the Association. There are various easements relating to drainage and utilities, which will be described in each title insurance commitment and title insurance policy furnished to buyers. Easements within the project will also include, without limitation, the following:

1. Right-of-way for pipeline recorded in Liber 360 of Deeds, Page 178, Washtenaw County Records, Affidavit recorded in Liber 2673, Page 255, Washtenaw County Records;
2. Right-of-way for drain recorded in Liber 557, Page 169, Washtenaw County Records;
3. Easement Agreement between the Detroit Edison Company and Michigan Bell Telephone Company and Scio Farms Estates, recorded in Liber 2058, Page 232, Washtenaw County Records;

4. Memorandum of Agreement between Scio Farms Estates Limited Partnership, and J. Dom Communications, Inc., recorded in Liber 2010, Page 511, Washtenaw County Records, as assigned by a written assignment recorded in Liber 2041, page 895, Washtenaw County Records; and
5. Easement Agreement for utilities and telecommunications between Scio Farms Estates Limited Partnership and DJK Properties, recorded in Liber 3093, Page 169, Washtenaw County Records.

Additional easements may be depicted on the Condominium Subdivision Plan. Until the development of the land described in the Master Deed has been completed, the Developer has reserved the right to unrestricted use of all roads, driveways, and walkways of the Condominium and easements to use, tap into, extend and enlarge all utility mains on Association property without any charge or fees except for the reasonable cost to the Association of work performed, utilities consumed and maintenance necessitated as a direct result of the Developer's use.

XIV. Real Estate Taxes

Taxes on the Condominium Units are assessed by Scio Township, Washtenaw County, and the applicable school district. Under Michigan law, taxes must be assessed on the basis of fifty percent of true cash value. During the year when the Master Deed is initially recorded, real property taxes on all newly constructed Units will constitute an administration expense to be shared by the Co-owners of the Units in proportion to their percentages of value. In that initial year, the Association will receive one tax bill, which it must pay and reallocate to the individual Co-owners of these Units. The Developer will contribute to the payment of these taxes its proportionate share for those Units that it owns when the taxes become due. In subsequent years, each Co-owner will receive an individual tax bill for the Co-owner's Unit. At this time it is impossible to accurately determine the amount of real property taxes for subsequent years, because those taxes are a function of both property values and tax rates, either of which can rise or fall. Accordingly, the estimated budget attached as **Exhibit A** to this Disclosure Statement does not include real estate or personal property taxes assessable against the Association or the Units.

XV. Rights and Obligations as between Developer and Co-Owner

A. Before Closing. The respective obligations of the Developer and the Purchaser of a Condominium Unit prior to closing are set forth in the Purchase Agreement and the Escrow Agreement. Both of those documents should be closely examined by all Purchasers in order to ascertain the disposition of earnest money deposits advance by Purchaser, anticipated closing adjustment, and the obligations of both parties with respect to modification or improvements to the Unit.

B. At Closing. Each Purchaser (except a Purchaser under land contract) will receive by warranty deed fee simple title to his/her Unit subject to no liens or encumbrances other than the Condominium Documents and those easements and restrictions as are specifically set forth in the Condominium Documents and title insurance commitment. Prior to closing, each Purchaser shall be afforded an opportunity to inspect the Unit that he/she is purchasing and the Common Elements.

C. Subsequent to Closing. Subsequent to the purchase of the Unit, relations between the Co-owner and the Developer are governed by the Master Deed and Bylaws and the Condominium Act of 1978, as amended, except to the extent that any contractual provisions of the Purchase Agreement are intended to survive the closing.

XVI. Radon Gas

Radon is a naturally-occurring, colorless and odorless radioactive gas formed by the breakdown of uranium and radium deposits in the soil. Radon can escape from the soil and enter buildings. Preliminary studies by the United States Environmental Protection Agency (EPA) suggest that the 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 to 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 Unit may be subject to high radon levels unless specific tests are conducted by experts in the area.

Developer does not claim any expertise in radon, and 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 the Condominium from the Developer. The Developer assumes no responsibility to make any tests or studies, but Developer will permit the Purchaser to do so, at the Purchaser's expense, if the Purchaser so desires during the time before the Purchase Agreement becomes binding.

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, 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 Homeowner's Guide."

XVII. Mold

Mold is a type of fungus. It occurs naturally in the environment, and it is necessary for the natural decomposition of plant and other organic material. It spreads by means of microscopic spores borne on the wind, and is found everywhere life can be supported. Residential home construction is not, and cannot be, designed to exclude mold spores. If the growing conditions are right, mold can grow in your home. Most homeowners are familiar with mold growth in the form of bread mold, and mold that may grow on bathroom tile.

In order to grow, mold requires a food source. This might be supplied by items found in the home such as fabric, carpet or even wallpaper, or by building materials such as drywall, wood and insulation, to name a few. Also, mold growth requires a temperate climate. The best growth occurs at temperatures between 40° F and 100° F. Finally mold growth requires

moisture. Moisture is the only mold growth factor that can be controlled in a residential setting. By minimizing moisture, a homeowner can reduce or eliminate mold growth.

Moisture in the home can have many causes. Spills, leaks, overflows, condensation and high humidity are common sources of home moisture. Good housekeeping and home maintenance practices are essential in the effort to prevent or eliminate mold growth. If moisture is allowed to remain on the growth medium, mold can develop within 24 to 48 hours.

All mold is not necessarily harmful, but certain strains of mold have been shown to have adverse health effects in susceptible persons. The most common effects are allergic reaction, including skin irritation, watery eyes, runny nose, coughing, sneezing, congestion, sore throat and headache. Individuals with suppressed immune systems may risk infections. Some experts contend that mold causes serious symptoms and diseases which may even be life threatening. However, experts disagree about the level of mold exposure that may cause health problems, and about the exact nature and extent of the health problems that may be caused by mold. The Center for Disease Control states that a casual link between the presence of toxic mold and serious health conditions has not been proven.

The Co-owner can take positive steps to reduce or eliminate the occurrence of mold growth in the home, and thereby minimize any possible adverse effects that may be caused by mold. These steps include, but are not limited to, the following:

1. Before bringing items into the home, check for signs of mold. Potted plants (roots and soil), furnishings, or stored clothing and bedding material, as well as many other household goods, could already contain mold growth.
2. Regular vacuuming and cleaning will help reduce mold levels. Mild bleach solutions and most tile cleaners are effective in eliminating or preventing mold growth.
3. Keep the humidity in the home low. Vent clothes dryers to the outdoors. Ventilate kitchens and bathrooms by opening the windows, by using exhaust fans, or by running the air conditioning to remove excess moisture in the air and to facilitate evaporation of water from wet surfaces.
4. Promptly clean up spills, condensation and other sources of moisture. Thoroughly dry any wet surfaces or material. Do not let water pool or stand in your home. Promptly replace any materials that cannot be thoroughly dried, such as drywall or insulation.
5. Inspect for leaks on a regular basis. Look for discoloration or wet spots. Repair any leaks promptly. Inspect condensation pans (refrigerators and air conditioners) for mold growth. Take notice of musty odors and any visible signs of mold.
6. Should mold develop, thoroughly clean the affected area with a mild solution of bleach. First, test to see if the affected material or surface is color safe. Porous materials, such as fabric, upholstery or carpet should be discarded. Should the mold growth be severe, call on the services of a qualified professional cleaner.

Whether or not a Co-owner experiences mold growth depends largely on how he or she manages and maintains his or her home. The Developer will repair or replace defects in construction (defects defined as a failure to comply with reasonable standards of residential construction) for a period of one (1) year. Developer will not be responsible for any damages caused by mold including, but not limited to, property damage, personal injury, loss of income, emotional distress, death, loss of use, loss of value, adverse health effects or any other effects. Any implied warranty of habitability or an implied warranty of fitness for a particular purpose are hereby waived and disclaimed.

XVIII. Flood Plain

A 100-year flood plain encroaches on certain Common Elements located within the Condominium project, as shown on the Condominium Subdivision Plan (Exhibit B to the Master Deed). Presently, no Units are located within the flood plain. Notwithstanding the foregoing statement, if any Units are subsequently found to be located within the flood plain, those Units may be required to maintain flood insurance, at the expense of their respective Co-owners.

XIX. Legal Matters

The project is zoned as an Urban Residential District (R-1D), but is immediately adjacent to property zoned as a Mobile Home Park District (MHP), which is currently operated as a mobile home park known as Scio Farms Estates. The development of the project adjacent to the mobile home park was authorized, in part, pursuant to the terms of certain Consent Judgment entered in the Circuit Court for the County of Washtenaw on May 27, 1994, in the case *Scio Farms Estates, Ltd. v. Township of Scio*, File Number 92-42902-AZ. A copy of said Consent Judgment is attached hereto as **Exhibit C**, and all buyers are urged to read the judgment.

The project is also adjacent to property zoned as a General Agricultural District (A-1), which may include farmlands and farm operations. Accordingly, buyers are advised that generally accepted agricultural and management practices which may generate noise, dust, odors and other associated conditions may be used in the vicinity of the project, and are protected by the Michigan Right to Farm Act.

There are no pending proceedings, either legal or administrative, that involve either the Condominium project or the Developer and its officers and shareholders in their capacity as such, and the Developer has no knowledge of any such proceedings that might be threatened.

Scott D. MacDonald, of Dixon & MacDonald, P.C., has served as legal counsel to the Developer in connection with the preparation of this Disclosure Statement and the other Condominium Documents. Legal counsel has not passed on the accuracy of the factual matters in these documents, and has not undertaken any professional responsibility as an attorney or agent of the Association or any of the Co-owners, purchasers, mortgagees or other parties.

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 another adviser in connection with the purchase of a Unit in the project. By accepting title to a Unit, each purchaser shall be deemed to have waived any claim or right arising out of or relating to any immaterial defect, omission or misstatement in this Disclosure Statement.

In an attempt to be more readable, this Disclosure Statement omits most legal phrases and definitions. More detailed explanations and definitions of the terms used can be found in the other Condominium Documents and the Condominium Act.

The Michigan Department of Consumer and Industry Services publishes The Condominium Buyers Handbook that the Developer or its agent has delivered to you. The Developer assumes no obligation, liability or responsibility regarding the accuracy of statements contained in or omitted from The Condominium Buyers Handbook.

DISCLOSURE STATEMENT

EXHIBIT A

Exhibit "A"
KIRKWAY OF SCIO CONDOMINIUMS
Projected Annual Budget
44 Units

	<u>Annual</u>		<u>Monthly</u>	
	<u>Amount</u>	<u>Per Unit</u>	<u>Amount</u>	<u>Per Unit</u>
<u>Administrative Expenses:</u>				
Legal & Accounting	500.00	11.36	41.67	0.95
Management Fees (44 x \$10/unit x 12 months)	5,280.00	120.00	440.00	10.00
Office Supplies, Printing & Postage	100.00	2.27	8.33	0.19
<u>Grounds Maintenance:</u>				
Flowers & Bed Care	700.00	15.91	58.33	1.33
Lawn Service & Fertilizing	1,800.00	40.91	150.00	3.41
Snow & Salt Removal	3,500.00	79.55	291.67	6.63
Sprinkling System Maintenance	200.00	4.55	16.67	0.38
Plantings Replacement	800.00	18.18	66.67	1.52
<u>Building Maintenance:</u>				
Common Area Maintenance & Repair (tot lot, chip, trail, etc.)	700.00	15.91	58.33	1.33
<u>Utility Expenses:</u>				
Electricity - Common Areas	100.00	2.27	8.33	0.19
Water & Sewer	200.00	4.55	16.67	0.38
<u>Insurance:</u>				
Insurance - D & O liability	500.00	11.36	41.67	0.95
Insurance - Property & Casualty	1,500.00	34.09	125.00	2.84
Insurance - Umbrella	750.00	17.05	62.50	1.42
Insurance - Workers Comp	750.00	17.05	62.50	1.42
Subtotal	17,380.00	395.00	1,448.33	32.92
<u>Replacement Reserves (10%)</u>	<u>1,738.00</u>	<u>39.50</u>	<u>144.83</u>	<u>3.29</u>
Total	<u>19,118.00</u>	<u>434.50</u>	<u>1,593.16</u>	<u>36.21</u>

* Annual dues will be payable once annually

DISCLOSURE STATEMENT

EXHIBIT B

STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF WASHTENAW

HARRY BRODY, WALTER CYKIERT,
HERMAN ROSS and ASA SHAPIRO, d/b/a
SCIO DEVELOPMENT COMPANY,

Plaintiffs,

File No. 5621

vs.

JUDGMENT

TOWNSHIP OF SCIO, a Michigan
Municipal Corporation and JOSEPH
McALLISTER,

Defendants.

RECEIVED
FOR RECORD
AUG 7 11 56 AM '73
PATRICIA NEWKIRK HARDY
REGISTER OF DEEDS
WASHTENAW COUNTY, MICH.

AT A SESSION of said Court held in
the Washtenaw County Building in the
City of Ann Arbor, Michigan on the
7th day of ~~July~~ AUGUST, 1973.

PRESENT: HONORABLE EDWARD D. DEAKE,
Circuit Judge

This cause having been tried before the Honorable John W. Conlin, Circuit Judge, and the said trial judge having died before rendition of decision and judgment therein; and the parties by their respective attorneys having endorsed hereon their consent to the provisions of this judgment, and that the same be made and entered accordingly, and the court being fully advised in the premises:

IT IS ORDERED AND ADJUDGED that the lands set forth and described in the complaint in this action be and hereby are respectively zoned to those zoning districts provided in the Scio Township Zoning Ordinance of 1972 as follows:

PARCEL I is hereby zoned MOBILE HOME PARK DISTRICT (MHP) and described as:

Part of the NE 1/4 and SE 1/4 of Section 20,
T2S, R5E, Scio Township, Washtenaw County,
Michigan more particularly described as:
Beginning at the S 1/4 corner of said Section
20, thence N 00°07'28" W, along the N & S 1/4
line of said Section 20, 2212.86 feet; thence
N 89°58'00" E, 1159.40 feet; thence N 00°31'00"

E, 1027.09 feet to the former centerline of Jackson Road; thence S 77°35'00" E, along said former centerline of Jackson Road, 650.96 feet; thence S 04°41'00" W, 443.82 feet to a point on the E & W 1/4 line of said Section 20; thence N 89°58'00" W, along said E & W 1/4 line 408.98 feet; thence S 00°24'45" E, 2662.49 feet to a point on the S line of said Section 20; thence N 89°53'51" W, along said S line of Section 20, 2191.51 feet to the point of beginning, excepting the Northerly 60 feet for Jackson Road and the Southerly 60 feet for highway and utility purposes. Parcel remaining is 125.00 acres, more or less.

PARCEL II is hereby zoned GENERAL AGRICULTURAL DISTRICT (A-1) and described as:

Part of the SW 1/4 of Section 20, T2S, R5E, Scio Township, Washtenaw County, Michigan more particularly described as: Beginning at the S 1/4 corner of said Section 20; thence S 89°47'30" W, along the South line of said Section 20, 1181.46 feet; thence N 00°09'00" W, 1330.49 feet; thence N 89°53'00" E, 20.26 feet; thence N 00°07'25" W, 1330.47 feet, to the E & W 1/4 line of said Section 20, thence N 89°58'25" E, along said E & W 1/4 line of said Section 20, 595.46 feet; thence S 00°07'25" E, 1329.53 feet; thence N 89°53'00" E, 566.33 feet; to a point on the N & S 1/4 line of said Section 20, thence S 00°07'28" E, along said N & S 1/4 line of Section 20, 1328.60 feet. Parcel contains 54.250 acres, more or less. Subject to rights of the public for highway and utility purposes over the Southerly and Westerly 60 feet thereof.

and the Official Zoning Map of Scio Township of 1972 shall conform therewith, and the plaintiffs, their respective successors and assigns and those claiming by, through or under the plaintiffs, or any of them, shall have the right to use the parcels above described for the uses and in accordance with the regulations prescribed in said ordinance for the said zoning district of the respective parcels, and further use Parcel II as the site of a wastewater treatment facility to service the aforesaid parcels. It is further ordered and adjudged that the foregoing zoning classifications and permitted uses of the respective parcels shall continue until modified by the further order of this court upon proper showing, excepting that on and after the filing of a written application with defendant Township by plaintiffs, their respective successors and assigns, and those claiming by,

through or under plaintiffs wherein or whereby any of the foregoing zoning classifications or permitted uses of said parcels, or any portion of said parcels, are sought to be changed or modified, defendant Township shall be empowered to change or modify the zoning classifications and permitted land uses as to those parcels or portions being the subject of such written application, and the Township being so empowered shall have the same authority with respect to said lands as though this judgment had never existed.

IT IS FURTHER ORDERED AND ADJUDGED, the notwithstanding other provisions of this judgment, plaintiffs, their respective successors and assigns, and those claiming by, through or under them are permanently enjoined as follows:

From developing or using Parcel I, or any portion thereof, as a mobile home park except in strict conformance with the site plan thereof (including without limitation the design data thereof, typical site details with off-street parking, topographical data, features, streets, driveways, entrances, structures and areas) attached hereto as EXHIBIT A and made a part hereof.

IT IS FURTHER ORDERED AND ADJUDGED, that prior to commencement of construction of a mobile home park, plaintiffs shall obtain:

1. A permit or license to construct, operate and maintain a mobile home park from the Director of Public Health of the State of Michigan in accordance with provisions of Mobile Home Park Act, Act 243 of Public Acts of 1959, as amended.
2. A permit from the Washtenaw County Road Commission for the installation of driveways and entrances to Parcels I and II in accordance with provisions of Act 200 of the Public Acts of 1969, as amended.

IT IS FURTHER ORDERED AND ADJUDGED, that, simultaneously with the entry of this judgment, plaintiffs cause to be conveyed by warranty deed to defendant Township merchantable title to a strip of land, sixty (60) feet wide, extending along the south line of Section 20 from Staebler Road westerly to the westerly boundary of Parcel II, as shown on attached Exhibit A.

IT IS FURTHER ORDERED AND ADJUDGED that, a certified copy of this judgment may be recorded in the Office of the Register of Deeds for said county, and that such recording in and of itself shall constitute re-

restrictive covenants running with the land, Parcel I, vesting in the Township of Scio the right to enforce the restrictions in a court of competent jurisdiction against anyone who has or acquires an interest in Parcel I, said restrictive covenants being as follows:

That Parcel I, and all portions thereof shall not be developed or used as a mobile home park excepting in strict conformance with the site plan thereof, as provided on page three of this judgment.

Said restrictions, or any of them, may be released or waived in writing by the Township Board of said Township upon such writing being recorded in the Office of the Register of Deeds of said county.

EDWARD D. DEAYE

Circuit Judge

The parties to the above entitled cause, by their respective representatives and attorneys, hereby endorse their consent to the provisions of this judgment, and consent to the entry of such judgment.

FOR PLAINTIFFS:

FORSYTHE, CAMPBELL, VANDENBERG
C LEVINGER, BISHOP & TRYAND, P.C.

By s/ JAMES P. TRYAND
JAMES P. TRYAND
Attorneys for Plaintiffs

SCIO DEVELOPMENT CO.

By s/ HARRY BRODY
HARRY BRODY, on his own behalf
and on behalf of HERMAN ROSS,
WALTER CYKIERT and ASA SHAPIRO

FOR DEFENDANTS:

TOWNSHIP OF SCIO

READING & ETTER

By s/ DOUGLAS K. READING
DOUGLAS K. READING
Attorneys for Defendants

By s/ FLOYD LAYTON
FLOYD LAYTON, Supervisor
On behalf of the TOWNSHIP OF
SCIO and JOSEPH McALLISTER

Twenty-Second Judicial Circuit } ss.
Washtenaw County, Michigan }

I hereby certify that the foregoing is a true
copy of the original on file in this Court and
cause.

Dated August 7, 1973
ROBERT M. HARRISON, County Clerk

By [Signature]
Deputy

CERTIFICATE OF LAND SURVEY

TRACT IN SECTION (WHITE HOLE PARK)

That certain part, 2/4 and S.E. 1/4 of Section 20, T. 2 S., R. 5 E., Scio Township, Washtenaw County, Michigan were particularly described as: Beginning at the South 1/4 corner of said Section 20, thence N. 03° 07' 28" W., along the N & S 1/4 line of said Section 20, 1222.65 feet; thence N. 89° 53' 00" E., 1199.40 feet; thence N. 03° 31' 00" W., 1077.00 feet to the former centerline of Jackson Road; thence S. 77° 35' 00" W., along said former centerline of Jackson Road, 650.95 feet; thence S. 04° 41' 00" W., 443.52 feet to a point on the E & W 1/4 line of said Section 20; thence N. 89° 53' 00" W., along said E & W 1/4 line 403.93 feet; thence S. 00° 07' 28" E., 262.49 feet to a point on the South line of said Section 20; thence N. 89° 53' 51" W., along said South line of Section 20, 2191.51 feet to the point of beginning, excepting the Northerly 60 feet for Jackson Road and the Southerly 60 feet for highway and utility purposes. Parcel remaining is 125.00 acres, more or less.

LEGAL DESCRIPTION (SOUTH 1/4 SECTION AREA)

Part of the S.W. 1/4 of Section 20, T. 2 S., R. 5 E., Scio Township, Washtenaw County, Michigan were particularly described as: Beginning at the South 1/4 corner of said Section 20; thence S. 03° 47' 30" W., along the South line of said Section 20, 1181.46 feet; thence N. 03° 07' 00" W., 1330.49 feet; thence N. 89° 53' 00" E., 20.26 feet; thence N. 00° 07' 25" W., 1330.47 feet, to the E & W 1/4 line of said Section 20; thence N. 89° 53' 25" E., along said E & W 1/4 line of said Section 20, 595.46 feet; thence S. 00° 07' 25" E., 1329.53 feet; thence N. 89° 53' 00" W., 566.33 feet; to a point on the N & S 1/4 line of said Section 20, thence S. 00° 07' 28" E., along said N & S 1/4 line of Section 20, 1328.60 feet. Parcel contains 54.250 acres, more or less. Subject to rights of the public for highway and utility purposes over the Southerly and Westerly 60 feet thereof.

Client Scio Development Co.
Date October 29, 1970
Scale 1" = 100' Job No. 1324

We certify that we have surveyed the property herein described, and have set markers at all corners shown thus (O), and that there are no existing encroachments except as shown thereon.

PAUL J. MONOHON ASSOCIATES
17100 W. SEVEN MILE RD.
DETROIT, MICHIGAN 48235

CIVIL ENGINEERS & SURVEYORS

By Paul J. Monohon

CERTIFICATE OF LAND SURVEY

SECTION 20 OF JACKSON RD.

EXCEPTED
SOUTHERLY 60 FT.
FOR JACKSON
ROAD

S. 00°24'45"E. 2662.49

N. 89°53'00"E. 1159.40

E. 1/4 W. 1/4 LINE
OF SECTION 20

E. 1/4 CORNER
OF SECTION 20,
T. 2 S., R. 5 E.

N. 89°53'00"E. 1159.40

PROPOSED
MOBILE HOME PARK

NET AREA = 125.00 ACRES

N. 89°53'00"E. 1159.40
N. 1/4 S. 1/4 LINE OF SECTION 20

point of beginning

S. 00°24'45"E. 2662.49

S. 00°24'45"E. 2662.49

E. 1/4 CORNER
OF SECTION 20,
T. 2 S., R. 5 E.

S. E. CORNER
OF SECTION 20,
T. 2 S., R. 5 E.

EXCEPTED SOUTHERLY 60 FT. FOR HIGHWAY
AND UTILITY PURPOSES

N. 89°53'51"W. 2665.36

SOUTH LINE OF SECTION 20

SOUTH 1/4 CORNER
OF SECTION 20,
T. 2 S., R. 5 E.

CREAT SCIO DEVELOPMENT CO.

DAT 10-1-1970

FILE 472 Job. No. 1262

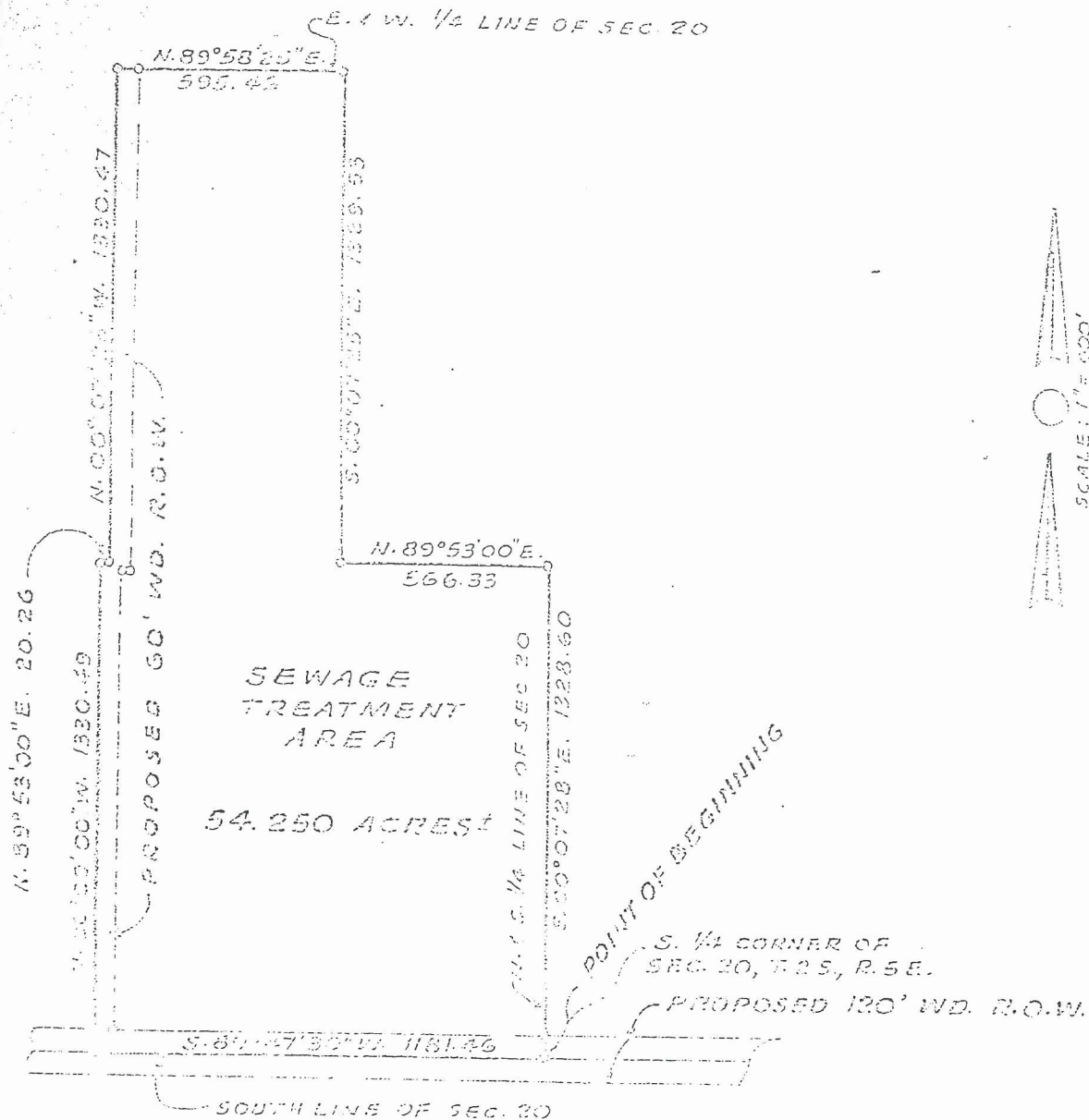
We certify that we have surveyed the property herein described,
and have set markers at all corners thereof, and that
there are no existing encroachments upon the same.

PAUL J. MONDRIEN ASSOCIATES
1714 W. SEVEN MILE RD.
GASTON, MICHIGAN 48225

CIVIL ENGINEERS & SURVEYORS

[Signature]

CERTIFICATE OF LAND SURVEY



SCIO DEVELOPMENT CO.

10.29.1970

1954

We certify that we have surveyed the property herein described, and have set markers at all corners shown here (O), and that there are no existing encroachments except as shown thereon.

J. L. RICHMOND ASSOCIATES
111 TOWN HILL RD.
ANN ARBOR, MICHIGAN 48106

CIVIL ENGINEER & SURVEYOR

[Signature]

DISCLOSURE STATEMENT

EXHIBIT C

Clerk's Notice
Mailed

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WASHTENAW

SCIO FARMS ESTATES, LTD.
a Michigan limited partnership,

Plaintiff,

File No. 92-42902 AZ

vs

Hon. WILLIAM F. AGER, JR.

TOWNSHIP OF SCIO,

Defendant.

Fried and Levitt, P.C.
David M. Fried (P 13710)
Attorney for Plaintiff
20700 Telegraph Rd., Ste. 3655
Bingham Farms, MI 48025
Telephone: 313-645-1003
Fax: 313-645-5106

DesChenes & Lucas, P.C.
Frederick Lucas (P 29074)
Attorney for Defendant
P.O. Box 520
Adrian, MI 49221
Telephone: 517-265-7186
Fax: 517-263-2361

Reading & Etter
John L. Etter (P 13295)
Attorney for Defendant
101 N. Main St., Ste. 575
Ann Arbor, MI 48104
Telephone: 313-769-9050
Fax: 313-769-9055

FILED
DEC 8 9 15 AM '93
CLERK OF COURT
WASHTENAW COUNTY, MI

CONSENT JUDGMENT

At a session of said Court held in the
Washtenaw County Courthouse, City of Ann Arbor,
State of Michigan on the 27th day of May, 1994

PRESENT: HONORABLE WILLIAM F. AGER, JR.
Circuit Judge

Upon stipulation and consent of the parties, this Court finds:

940241
570227

A. Plaintiff is the owner of a parcel of land of approximately 27.22 acres located in Section 20 of Scio Township, Washtenaw County, Michigan, as more particularly described in Exhibit A to the Complaint filed in this action, said parcel hereinafter referred to as the "Property."

B. Plaintiff is also the successor in interest to the Plaintiffs in a prior action filed in this Court under the caption Brody, et al v. Township of Scio, et al, File No. 5621, in which a Judgment was entered on August 7, 1973 by the Hon. Edward D. Deake. Pursuant to said Judgment, a 125 acre parcel adjacent to the west of the Property was zoned Mobile Home Park District, and subsequently a mobile home park was constructed on said parcel by Plaintiff, said mobile home park being known as Scio Farms Estates.

C. Defendant Township of Scio ("Scio Township") is a Michigan general law township organized and existing under the laws of the State of Michigan, located in Washtenaw County, Michigan, and as such, is subject to the Constitution and laws of the United States and the Constitution and laws of the State of Michigan.

D. In 1972, acting pursuant to Act 184, of the Public Acts of 1943, as amended, being MCL 125.271 et seq., Scio Township adopted "The Scio Township Zoning Ordinance of 1972" ("Zoning Ordinance") which has been amended from time to time thereafter.

E. Pursuant to said Zoning Ordinance, the Property has at all times relevant hereto been zoned A-1, general agriculture district, and has been generally used for purposes consistent with said zoning classification.

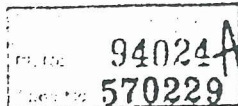
F. On or about April 1, 1990, Plaintiff submitted to Scio Township a request to rezone the entire Property to MHP, Mobile Home Park District, as an addition to Scio Farms Estates.

G. Scio Township has previously permitted expansion of Scio Farms Estates to lands located to the south and west of the 125 acre parcel referred to in paragraph 2 above.

H. Both the Scio Township Planning Commission and the Washtenaw County Planning Commission recommended denial of Plaintiff's 1990 rezoning request and on July 27, 1990, the Scio Township Board voted to deny the rezoning petition. Among the reasons considered by the Board for denial were that public water was not presently available for the proposed expansion, that portions of the Property were wetlands, and that Staebler Road which abuts the Property on the east is a gravel road unsuited to handling the increased traffic generated by the expansion.

I. On March 23, 1992, Plaintiff filed its Complaint in this action alleging, inter alia, that the actions of the Township in denying the proposed rezoning were unconstitutional and unlawful in various respects and praying for injunctive relief as well as damages, costs and attorneys fees.

J. Since that time Plaintiff and Defendant have been in negotiations which have resulted in the preparation of a new Scio Farms III Site Plan dated 11/2/93, revised 11/15/93, for a 60 lot addition to Scio Farms Estates on a 10.43 acre portion of the Property, a plan to rezone another portion of the Property together with a small undeveloped portion of the property zoned MHP under

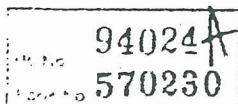


the 1973 Judgment for single-family residential purposes, the agreement by Plaintiff with the Washtenaw County Road Commission to make certain improvements to Staebler Road, and certain other agreements concerning utilities and other matters which are set forth hereinafter.

K. The parties agree that the operative provisions of this Consent Judgment are promises made by each of them to the extent that these provisions are applicable to their respective actions.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The 12.737 acre portion of the Property described as Parcel A on the certified survey of Hughes Land Surveyors attached hereto as Exhibit A, will be promptly rezoned by Defendant to Mobile Home Park District (MHP), but Plaintiff shall only be entitled to construct thereon a 60 lot addition to Scio Farms Estates in accordance with the Scio Farms III Site Plan dated 11/2/93, revised 11/15/93, a copy of which is attached hereto as Exhibit B, which shall serve as the approved preliminary site plan for the development, and in accordance with the other provisions of this Consent Judgment. In particular, it is noted that said Site Plan calls for a relocated entrance as shown thereon, certain lots (879-887) for double wide units only, and a greenbelt buffer of 40' width and of varying height as shown thereon. No construction of Scio Farms III shall commence, however, until Plaintiff has obtained approval from Scio Township of the final construction plans for compliance with Township ordinances and regulations with respect to water supply, sewage services, drainage and fire

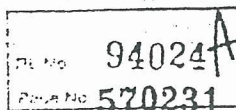


protection, as provided for in Sec. 11 of the Mobile Home Commission Act, MCL 125.231.

2. The southerly portion of the Property described as Parcel B-1 in Exhibit A, together with the portion of the present Scio Farms Estates described as Parcel B-2 in Exhibit A, will be promptly rezoned to Urban Residential District (R-1D), and Plaintiff shall be entitled to develop that combined property with single family detached homes with a density up to but not exceeding four dwelling units per gross acre.

3. The final site plan for Scio Farms III will provide for current Township standard fire hydrants, but water piping shall be PVC or ductile iron as determined by the State Health Department and Department of Commerce based on the specific ground conditions on this parcel.

4. Scio Farms III shall be hooked up to and shall utilize the Township's public sewer and water systems. The parties acknowledge that Defendant does not currently have water which can be made available for the additional 60 units. The parties have therefore agreed that no building permits shall be issued and no construction of the new section of the park shall commence until Defendant has obtained further water supply, which it is currently attempting to do. However, in the event Defendant has been unable to obtain an additional water supply above and beyond that currently available by contract with the City of Ann Arbor within three years from the date of this Consent Judgment, Plaintiff shall be entitled to provide water from wells, provided that it has



obtained approval from the State and County Health Departments and provided that the system is separate from the Township-supplied system which serves the existing mobile home park.

5. Plaintiff shall not be required to move its existing water meter, but shall work with the Township's Utilities Department to facilitate access to the meter, including furnishing a key to the building in which it is located. No further water connection fee shall be paid by Plaintiff, so long as Plaintiff utilizes the existing water system. If Plaintiff needs another connection to Defendant's water system for convenience or otherwise, it shall pay the appropriate connection fee in effect at that time.

6. Plaintiff shall pay a sewer connection charge of \$1,523.50 per mobile home unit in Scio Farms III, said charges to be paid at the time of construction. For the single family homes built on the property referred to in paragraph 2 above, Plaintiff shall pay the sewer connection charges in effect at the time of site plan approval provided that such charges need not be paid until construction occurs.

7. Plaintiff agrees to install quick-connect fittings on the hydrants in the existing mobile home park, if such fittings can be obtained, and Plaintiff will make reasonable efforts to obtain them.

8. Plaintiff agrees as part of the settlement to pay for the cost of paving and improving Staebler Road by agreement with the Washtenaw County Road Commission approximately 500 feet to a point

a few feet beyond the new entrance to the park, except that Plaintiff will not pay any of the expenses involved in relocating or replacing the present box culvert near the intersection with Jackson Road. Plaintiff agrees that such improvements are of substantial benefit to its existing mobile home park and Scio Farms III.

9. Plaintiff agrees that neither it, nor its successors or assigns, nor its current partners will at any time seek any further expansion of Scio Farms Estates for a period of twenty years from the date of this Consent Judgment.

10. Except as set forth herein, Plaintiff will comply with all applicable Township ordinances and standards.

11. Each party will use its best efforts to carry out the terms of this agreement and the court shall retain jurisdiction for that purpose.

12. Neither party is entitled to costs, damages or attorney fees, and there has been no taking of Plaintiff's property, temporary or permanent.

13. The parties agree to promptly execute any required amendment to the Judgment previously entered in File No. 5621 on August 7, 1973, but the failure to do so shall not affect the validity of this Consent Judgment.

14. This Consent Judgment is binding upon and shall inure to the benefit of the heirs, successors and assigns of the parties hereto.

15. The terms of this Consent Judgment may be amended, changed or modified, but only by written agreement executed by the parties or their respective successors and assigns.

16. This Consent Judgment is declared to be in recordable form, the covenants and restrictions contained herein are deemed to run with the land and a certified copy of the Consent Judgment shall be recorded in the office of the Washtenaw County Register of Deeds at the expense of Plaintiff.

William F. Ager, Jr.
Hon. William F. Ager, Jr.
Circuit Judge

Approved as to Form and Substance:

SCIO FARMS ESTATES, LTD., Plaintiff

By: Steven Tracy
Steven Tracy, General Partner

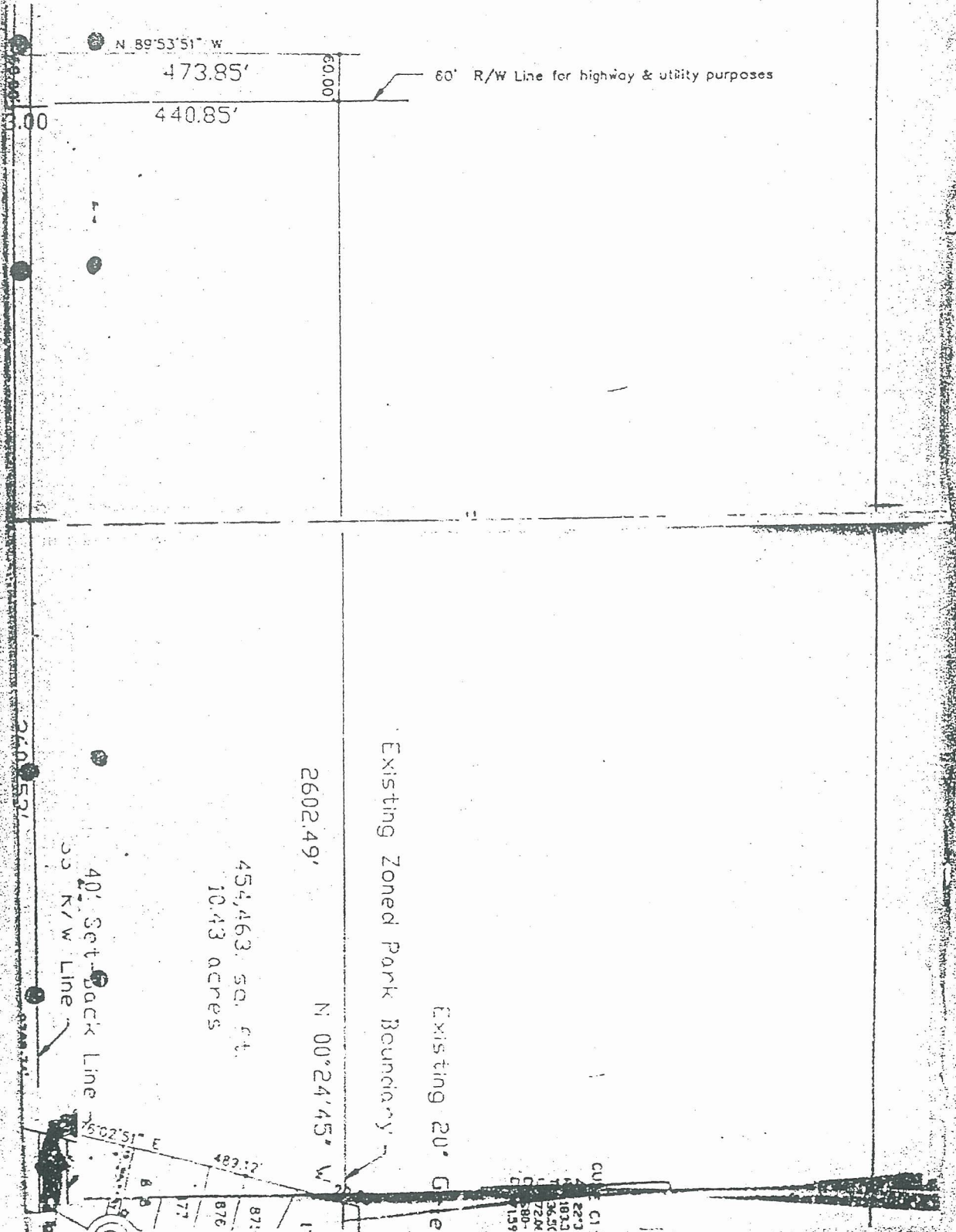
David M. Fried JLE
David M. Fried (P 13710) by permission
Attorney for Plaintiff

TOWNSHIP OF SCIO, Defendant

Frederick Lucas JLE
Frederick Lucas (P 29074) by permission
Attorney for Defendant

Approved as to Form and Substance
and Prepared by:

John L. Etter
John L. Etter (P 13233)
Attorney for Defendant



CURVE C?

23.36.14

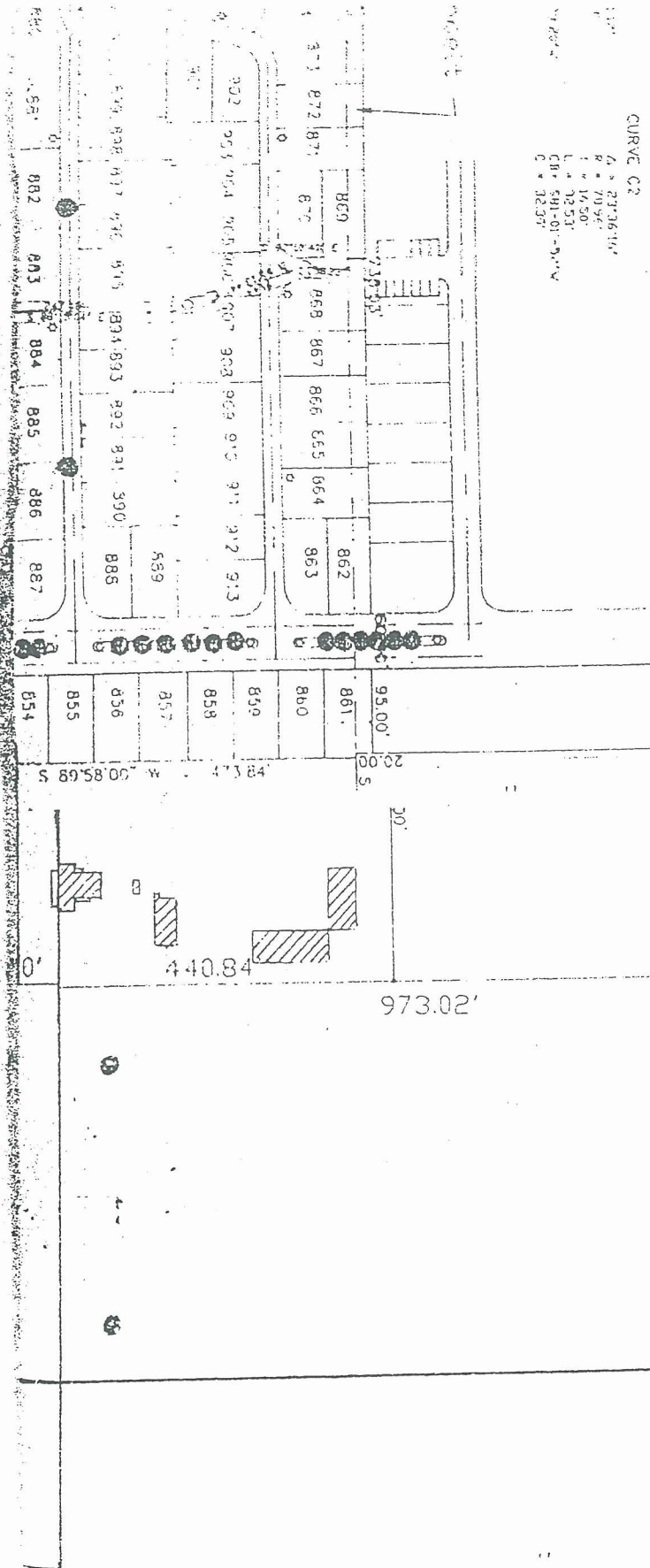
711 96'

14.50'

1253

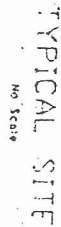
NY 61-10-145, 482

72.371



2663.61

STAEBLER ROAD 66



- SYMBOLS**
- Storm Drain Handle
 - Sanitary Sewer Handle
 - Storm Water Inlet - Catch Basin
 - Street Light
 - II Fire Hydrant
 - U Utility Pole
 - ▷ Water Valve & Box
 - ▷ Drainage Flow
 - ▲ "Children At Play" Sign
 - ③ Stop Sign

SCIO FARM
SITE F-
SCIO TWP., WASH-
MICHIGAN

Large Deciduous Trees
Large Deciduous Shrubs
Large Evergreen Tree
Flowering Trees (Crab,

94024
REL NO
570236
Page No.

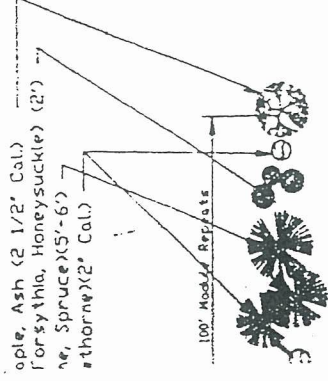
0088

882 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000

N 00°24'45" W
R.W. (20' GRAVEL)

Existing Road to be abandoned
except between lots 868 & 869-870

MS H
AN
ENAW COUNTY
N

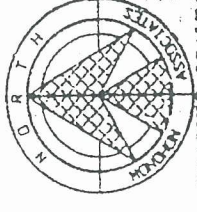


NOTE:

The contractor shall contact 'MISS DIG' at 1-800-482-7171 72 hours in advance of construction to identify location of existing underground utilities.

PLANTING GUIDE

940241
Page No. 570237



GRAPHIC SCALE



DEVELOPER

SCIO FARMS ESTATES
5655 Jackson Road
Ann Arbor, Michigan 48103
Phone (313) 663-0822

ENGINEER

PAUL J. MONDCHON ASSOCIATES
Civil Engineers - Land Surveyors
3265 Orchard Lake Road
Keargo Harbor, Michigan 48320
Phone (313) 681-8910

Job No. 1334-93 Date 11/2/93

Sheet 1 of 1 Rev. 11/15/93

E 1/4 Cor. of Sec. 20
T 2 S. R. 5 E.

940241
Page No. 570238

2098
12 of 17

PARCEL "A"

A parcel of land in the Southeast 1/4 of Section 20, Town 2 South, Range 5 East, Scio Township, Washtenaw County, State of Michigan, more particularly described by Darrell Hughes, Michigan Registered Land Surveyor No. 19834, as beginning at a point on the East line of Section 20 and centerline of Staebler Road, said point being distant South 20 degrees 24 minutes 45 seconds East 240.00 feet along the East line of Section 20 and centerline of Staebler Road, from the East 1/4 corner of Section 20; proceeding thence from said point of beginning South 20 degrees 24 minutes 45 seconds East 1281.86 feet, along the East line of Section 20 and centerline of Staebler Road, to the centerline of Honey Creek; thence North 65 degrees 01 minutes 03 seconds West 524.51 feet, along the centerline of Honey Creek; thence North 00 degrees 24 minutes 45 seconds West 1060.06 feet; thence North 89 degrees 58 minutes 00 seconds East 473.84 feet, parallel with the East and West 1/4 line of Section 20, to the point of beginning, containing 12.737 acres. Together with the use of, in conjunction with others, a 24 feet wide, ingress, egress and public utility easement. The centerline of said easement being described as beginning at a point on the East line of Section 20 and centerline of Staebler Road, said point being distant South 00 degrees 24 minutes 45 seconds East 749.76 feet along the East line of Section 20 and centerline of Staebler Road, from the East 1/4 corner of Section 20; proceeding thence from said point of beginning North 88 degrees 15 minutes 04 seconds West 247.48 feet to a point of curve; thence 72.06 feet along the arc of a 183.33 feet radius curve to the left, having a central angle of 22 degrees 31 minutes 12 seconds, whose chord measures 71.59 feet and bears South 80 degrees 25 minutes 20 seconds West to a point of tangency; thence South 69 degrees 13 minutes 44 seconds West 91.44 feet to a point of curve; thence 32.53 feet along the arc of a 78.96 feet radius curve to the right, having a central angle of 23 degrees 36 minutes 16 seconds, whose chord measures 32.30 feet and bears South 81 degrees 01 minutes 52 seconds West to a point of tangency; thence North 87 degrees 10 minutes 40 seconds West 38.22 feet, to a point of ending for the centerline of said 24 feet wide easement. Subject to the rights of the public over that part used for Staebler Road. Also, subject to other easements and restrictions of record.

RL No 94024
Page No 370240



HUGHES
LAND SURVEYORS

DARRELL D. HUGHES & ASSOCIATES
P.O. BOX 1038 - 838 SOUTH GRAND AVE.
FOWLERVILLE, MICHIGAN 48836
(OFF) 817 223-3512 (FAX) 817 223-0887

CLIENT:

MONOHON

M - Measured Dist. R - Recorded Dist.
MON - Found Concrete Monument
FIR - Found Iron Rod
FIP - Found Iron Pipe
SIR - Set Iron Rod
SPI - Set "Pin" Nail
P.O.B. - Point of Beginning
-F- - Fence

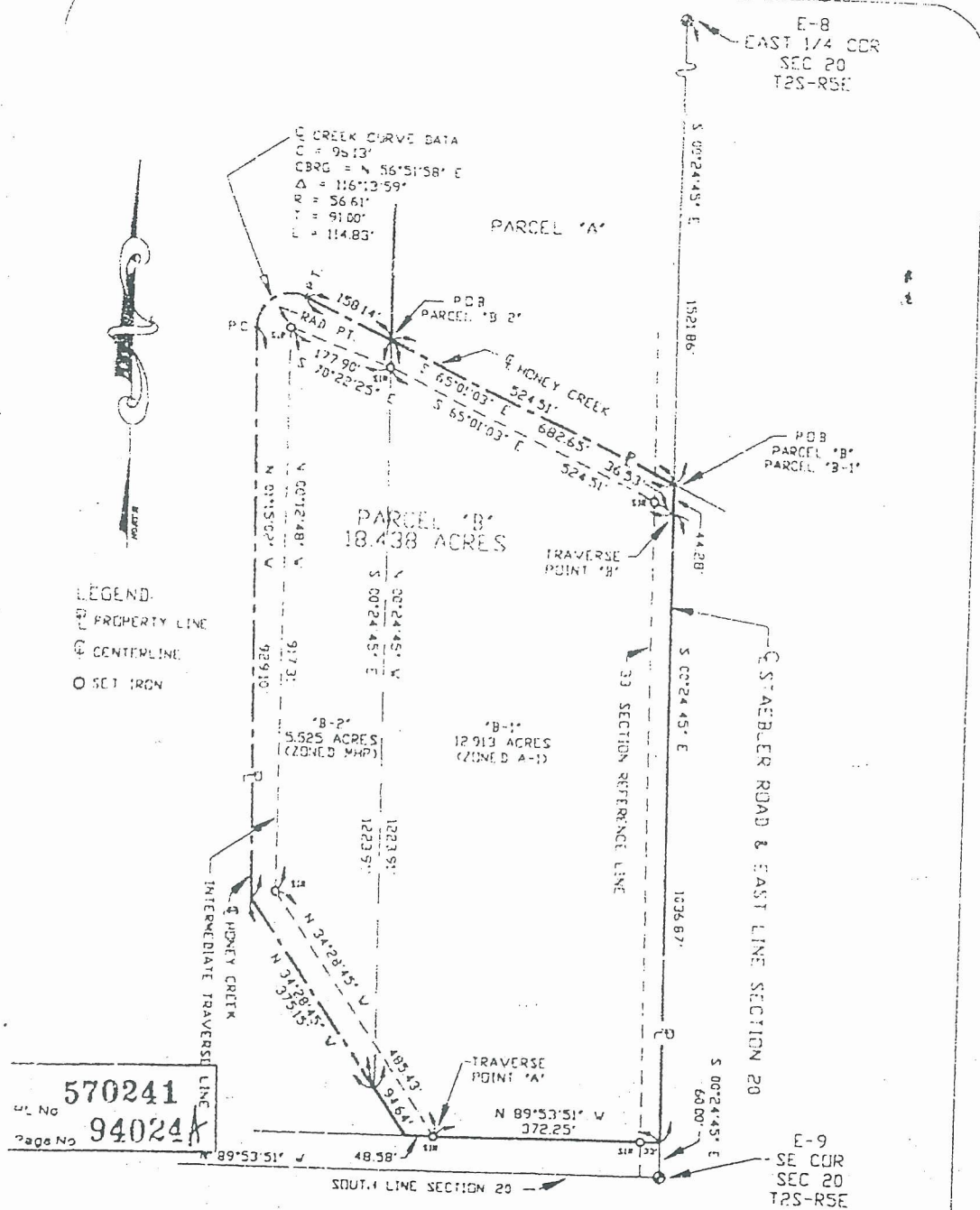
SCALE:

DATE: 5-10-94

DR. BY: ddh odc

SHEET: 3 of 5

JOB No. 94203R



Darrell D. Hughes

REGISTERED LAND SURVEYOR No. 19834

I HEREBY CERTIFY that I have surveyed and mapped the land above plotted and/or described on 26 MAR 1994, and that all of the requirements of P.A. 132, 1970 as amended, have been complied with, and that the ratio of closure on the unadjusted field observations of such survey was NO GREATER THAN 1 IN 5000

 <p>HUGHES LAND SURVEYORS DARRELL D. HUGHES & ASSOCIATES P.O. BOX 1039 - 838 SOUTH GRAND AVE. FOWLERVILLE, MICHIGAN 48936 (OFF) 517 223-3512 (FAX) 517 223-9987</p>	<p>CLIENT: MONOHON</p>
	<p>SE 1/4 SEC 20, SDIO TWP, T2S-R5E</p> <p>M - Measured Dist. R - Recorded Dist. MON - Found Concrete Monument FIR - Found Iron Rod FIP - Found Iron Pipe SIR - Set Iron Rod SPIK - Set "PK" Nail P.O.B. - Point of Beginning -x-x- - Fence</p>
<p>DATE: 25 MAY 1994</p>	<p>DR. BY: R.P. CHK: DCH</p>

PARCEL "B-1" (Zoned A-1)

A parcel of land in the Southeast 1/4 of Section 20, Town 2 South, Range 3 East, Seco Township, Washtenaw County, State of Michigan, more particularly described by Darrell Hughes, Michigan Registered Land Surveyor No. 19834, as beginning at a point, said point being the intersection of the centerline of Honey Creek with the East line of Section 20 and centerline of Staebler Road, said point being distant South 00 degrees 24 minutes 45 seconds East 1521.86 feet, along the East line of Section 20 and centerline of Staebler Road, from the East 1/4 corner of Section 20; proceeding thence from said point of beginning South 00 degrees 24 minutes 45 seconds East 1081.15 feet, along the East line of Section 20 and centerline of Staebler Road; thence North 89 degrees 53 minutes 51 seconds West 420.83 feet, parallel with and 60 feet Northerly of, as measured normal to, the South line of Section 20, to the centerline of Honey Creek; thence, along the centerline of Honey Creek, North 34 degrees 28 minutes 45 seconds West 94.44 feet; thence, leaving the centerline of Honey Creek, North 00 degrees 24 minutes 45 seconds West 1223.91 feet, entering and to the centerline of Honey Creek; thence South 65 degrees 01 minutes 03 seconds East 524.51 feet, along the centerline of Honey Creek, to the point of beginning, containing 12.913 acres. Subject to the rights of the public over that part used for Staebler Road.

PARCEL "B-2" (Zoned MIP)

A parcel of land in the Southeast 1/4 of Section 20, Town 2 South, Range 3 East, Seco Township, Washtenaw County, State of Michigan, more particularly described by Darrell Hughes, Michigan Registered Land Surveyor No. 19834, as beginning at a point on the centerline of Honey Creek, said point being distant the following two courses, from the East 1/4 corner of Section 20: South 00 degrees 24 minutes 45 seconds East 1521.86 feet, along the East line of Section 20 and centerline of Staebler Road and North 65 degrees 01 minutes 03 seconds West 524.51 feet, along the centerline of Honey Creek; proceeding thence from said point of beginning, leaving the centerline of Honey Creek, South 00 degrees 24 minutes 45 seconds East 1223.91 feet, entering and to the centerline of Honey Creek; thence, along the centerline of Honey Creek the following four courses: North 34 degrees 28 minutes 45 seconds West 375.15 feet; thence North 01 degrees 15 minutes 02 seconds West 929.10 feet, to a point of curve, thence 114.83 feet along the arc of a 56.61 feet radius curve to the right, having a central angle of 116 degrees 13 minutes 59 seconds, whose chord measures 96.13 feet and bears North 56 degrees 51 minutes 58 seconds East, to a point of tangency; thence South 65 degrees 01 minutes 03 seconds East 158.14 feet to the point of beginning, containing 5.525 acres.

RL No

94024A

Page No

570242



HUGHES

LAND SURVEYORS

DARRELL D. HUGHES & ASSOCIATES
P.O. BOX 1039 - 838 SOUTH GRAND AVE.
FOWLERVILLE, MICHIGAN 48836

(OFF) 817 223-3512 (FAX) 817 223-8887

CLIENT:

MONOHON

M - Measured Dist. R - Recorded Dist.
MON - Found Concrete Monument
FIR - Found Iron Rod
FIP - Found Iron Pipe
SIR - Set Iron Rod
SPK - Set "PK" Nail
P.O.B. - Point of Beginning
-x-x- Fence

DATE: 5-25-94

DR. BY: ddh dmc

SCALE:

SHEET: 2 of 2

JOB No. 94204 21

BEARING REFERENCE: THE EAST LINE OF "SCIO FARMS MOBILE HOME PARK" AS SOUTH 00 DEGREES 24 MINUTES 45 SECONDS EAST.

EAST 1/4 CORNER SECTION 20, T2S, R5E, E-8

FD. 3/4" IRON ROD, 3' WEST OF CL STAEBLER RD, 261' +/- S. OF CL JACKSON RD.

159 DEG. 61.93' FD. NAIL W/S 34" OAK.
208 DEG. 59.95' SET NAIL/TAG SE/S UTILITY POLE.
345 DEG. 68.89' FD. NAIL SW/S UTILITY POLE.
037 DEG. 61.32' FD. NAIL W/S GUY POLE.

SOUTHEAST CORNER SECTION 20, T2S, R5E, E-9

FD. 1-1/2" IRON PIPE AT CL STAEBLER RD., IN LINE WITH E/W FENCE TO WEST, 3' S. OF E/W FENCE TO EAST.

290 DEG. 3.75' FD. 1-1/2" IRON PIPE IN RD., IN LINE WITH E/W FENCE TO EAST.


275 DEG. 32.89' FD. 1-1/2" IRON PIPE.
344 DEG. 71.29' SET NAIL/TAG E/S UTILITY POLE.
082 DEG. 43.72' SET NAIL/TAG S/S 44" OAK.
200 DEG. 96.01' SET NAIL/TAG E/S UTILITY POLE.

Pl. No. 94024
Page No. 570243

1571 5 100

JUL 5 11 29 AM '94

RECORDED
WASHINGTON COUNTY, MD

 HUGHES LAND SURVEYORS DARRELL D. HUGHES & ASSOCIATES P.O. BOX 1030 - 638 SOUTH GRAND AVE. FOWLERVILLE, MICHIGAN 48838 OFFICE 517 223-8552 FAX 517 223-8887	CLIENT:	MONOHON
	M - Measured Dist. R - Recorded Dist. MON - Found Concrete Monument FIR - Found Iron Rod FIP - Found Iron Pipe SFR - Set Iron Rod SPK - Set "PK" Nail P.O.B. - Point of Beginning -X-X- Fence	
SCALE:	DATE: 5-10-94	DR. BY: dh CRK:
	SHEET: 5 of 5	JOB No. 942062

DISCLOSURE STATEMENT

EXHIBIT D

(3)

RESTRICTIVE COVENANT AGREEMENT

SC10
20
SE
SW
NE

THIS RESTRICTIVE COVENANT AGREEMENT (the "Agreement") is made and entered into this 30th day of March, 1995, by and between STEVEN M. TRACY, TRUSTEE OF THE STEVEN M. TRACY DECLARATION OF TRUST, DATED JUNE 25, 1994, AS AMENDED, ("Tracy"), DJK PROPERTIES ("DJK"), a Michigan co-partnership, and SCIO FARMS ESTATES LIMITED PARTNERSHIP (the "Scio"), a Michigan limited partnership having its principal office at 31700 Middlebelt, Suite 145, Farmington Hills, Michigan 48334.

RECITALS:

A. Pursuant to that certain Contribution Agreement (the "Contribution Agreement"), dated March 30, 1995, by and between Tracy, DJK, Scio, Sun Communities Operating Limited Partnership ("Sun") and Sun Florida QRS, Inc. ("QRS"). Sun and QRS have obtained from Tracy and DJK, one hundred percent (100%) of the partnership interests in Scio (the "Partnership Interests"), such that Sun and QRS are the only partners of Scio.

B. Scio owns certain real property and improvements thereon located in Scio Township, Washtenaw County, Michigan, more particularly described in Exhibit A attached hereto and made a part hereof, commonly known as Scio Farms Estates and operated as a manufactured home community (the "Project").

C. Tracy is the owner of certain parcels of unimproved real property located adjacent to the Project in Scio Township, Washtenaw County, Michigan, as more particularly described in Exhibit B attached hereto and made a part hereof, and DJK is the owner of certain parcels of unimproved real property located adjacent to the Project in Scio Township, Washtenaw County, Michigan, as more particularly described in Exhibit C attached hereto and made a part hereof (collectively, the "Adjacent Parcels").

D. In order to assure to Sun and QRS the value of the Project and goodwill being acquired in connection therewith, Tracy and DJK have agreed that the Adjacent Parcels will not be developed, owned, operated or used in any manner as a manufactured housing or mobile home community, whether such use involves the lease or sale of home sites or lots therein, and the use for the sale or lease of manufactured or mobile homes shall be limited, all as provided herein.

E. To accomplish the foregoing, and as a condition to the transfer of the Partnership Interests to Sun and QRS, Scio, Tracy and DJK have agreed to execute and deliver this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, and other good and valuable consideration, the receipt and adequacy thereof being expressly acknowledged, Tracy, DJK and Scio agree as follows.

1

1. Tracy and DJK covenant and agree that (i) none the Adjacent Parcels, or any portion thereof, shall be developed, owned, operated or used in any manner as a manufactured housing or mobile home community, whether such use involves the lease or sale of home sites or lots therein; provided, however, this restriction shall not prohibit the development of the Adjacent Parcels as a residential community wherein lots are sold for the purpose of constructing and installing modular homes; and (ii) the business of selling or leasing manufactured or mobile homes only may be conducted on one of the parcels of land comprising the Adjacent Parcels, which parcel may change from time to time at the option of the owners thereof; provided, however, any person or entity conducting such business of selling or leasing manufactured or mobile homes shall use reasonable efforts to steer its home buyers to the Project (the "Restrictive Covenant").

2. Tracy and DJK, jointly and severally, agree to indemnify and hold harmless Scio, its agents, partners, employees, successors and assigns, from and against any and all claims, damages, losses, liability, cost and expenses, incurred by Scio, its agents, partners, employees, successors or assigns, arising directly or indirectly out of or in connection with any breach of the Restrictive Covenant contained in paragraph 1 above.

3. The covenants and restrictions contained herein shall run with the Project and the Adjacent Parcels, and be binding upon and inure to the benefit of the successors and assigns of Scio, Tracy and DJK. This Agreement may not be amended at any time without the consent of the Scio, Tracy and DJK, or their respective successors and assigns, as the case may be.

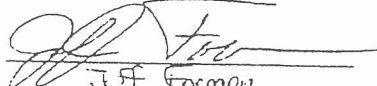
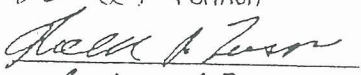
4. This Agreement shall be controlled, construed and enforced in accordance with the laws of the State of Michigan.

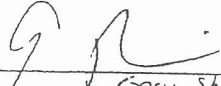
IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the day and year first above written.

SCIO FARMS ESTATES LIMITED
PARTNERSHIP


IN THE PRESENCE OF:

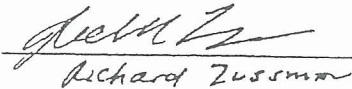
By: Sun Florida QRS, Inc., its General Partner

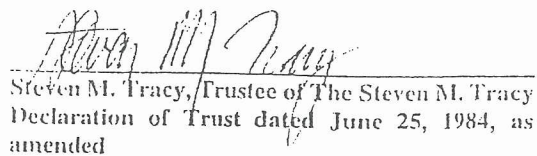

J.F. Forman

Richard A. Zussman

By: 
Gary Shiffman
Its: President

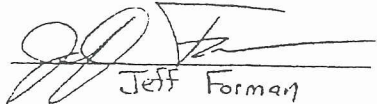
[Signatures continue on the following page]

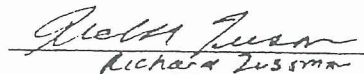

Jeff Forman


Richard Zussman

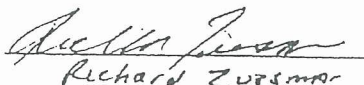

Steven M. Tracy, Trustee of The Steven M. Tracy
Declaration of Trust dated June 25, 1984, as
amended

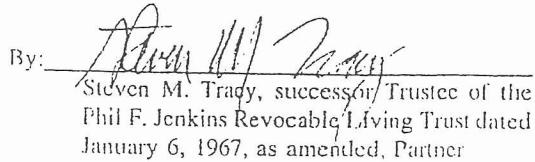
DJK PROPERTIES, a Michigan co-partnership

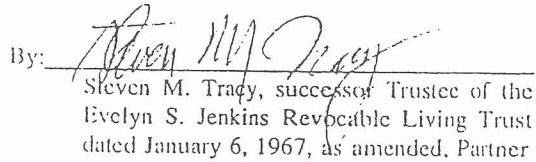

Jeff Forman


Richard Zussman


Jeff Forman


Richard Zussman

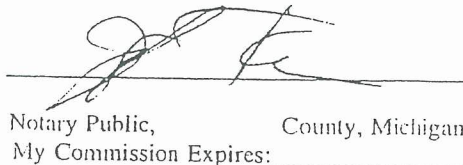
By: 
Steven M. Tracy, successor Trustee of the
Phil F. Jenkins Revocable Living Trust dated
January 6, 1967, as amended, Partner

By: 
Steven M. Tracy, successor Trustee of the
Evelyn S. Jenkins Revocable Living Trust
dated January 6, 1967, as amended, Partner

STATE OF MICHIGAN)
)SS
COUNTY OF WAYNE)

The foregoing instrument was acknowledged before me this 31 day of March, 1995, by
Gary S. Hays, the President of Sun Florida QRS, Inc., a Michigan corporation, the general
partner of Scio Farms Estates Limited Partnership, on behalf of said partnership.

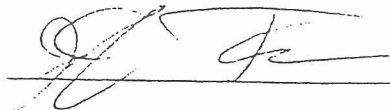
JEFFREY FORMAN
Notary Public, Oakland County, Michigan
Acting in Wayne County
My Commission Expires May 12, 1998


Notary Public, _____ County, Michigan
My Commission Expires: _____

STATE OF MICHIGAN)
)SS
 COUNTY OF WAYNE)

The foregoing instrument was acknowledged before me this 30th day of March, 1995, by Steven M. Tracy, Trustee of The Steven M. Tracy Declaration of Trust dated June 25, 1984, as amended, on behalf of said trust.

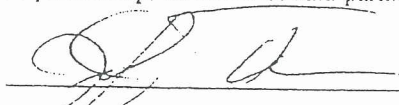
JEFFREY FORMAN
 Notary Public, Oakland County, Michigan
 Acting in Wayne County
 My Commission Expires May 12, 1998


 Notary Public, _____ County, Michigan
 My Commission Expires: _____

STATE OF MICHIGAN)
)SS
 COUNTY OF WAYNE)

The foregoing instrument was acknowledged before me this 30th day of March, 1995, by Steven M. Tracy, successor Trustee of the Phil F. Jenkins Revocable Living Trust dated January 6, 1967, as amended, on behalf of said trust, and by Steven M. Tracy, successor Trustee of the Evelyn S. Jenkins Revocable Living Trust dated January 6, 1967, as amended, on behalf of said trust, the partners of DJK Properties, a Michigan co-partnership, on behalf of said partnership.

JEFFREY FORMAN
 Notary Public, Oakland County, Michigan
 Acting in Wayne County
 My Commission Expires May 12, 1998


 Notary Public, _____ County, Michigan
 My Commission Expires: _____

DRAFTED BY AND WHEN
 RECORDED RETURN TO:

RICHARD A. ZUSSMAN, ESQ.
 Jaffe, Raitt, Heuer & Weiss
 One Woodward Avenue
 Suite 2400
 Detroit, Michigan 48226

A121171.1

~~A parcel of land located in part of the Southeast 1/4 and the Southwest 1/4 of Section 20, T2S, R5E, Scio Township, Washtenaw County, Michigan, more particularly described as follows:~~

PARCEL A

Commencing at a point South 89 degrees 58 minutes 00 seconds West 473.84 feet along the East and West 1/4 line of Section 20 from the East 1/4 corner of said Section 20; thence continuing South 89 degrees 58 minutes 00 seconds West 499.18 feet; thence North 03 degrees 36 minutes 40 seconds East 464.99 feet (recorded as North 03 degrees 36 minutes 00 seconds East) to the former centerline of Jackson Road, 66 feet wide; thence along said centerline North 77 degrees 35 minutes 07 seconds West 551.51 feet (recorded as North 77 degrees 36 minutes 00 seconds West); thence South 00 degrees 31 minutes 00 seconds West 582.96 feet to the East and West 1/4 line of said Section 20; thence along said 1/4 line South 89 degrees 58 minutes 00 seconds West, 1164.37 feet to the Center Corner of said Section 20; thence continuing on the East and West 1/4 line of said Section 20, South 89 degrees 58 minutes 25 seconds West, 1161.80 feet; thence South 00 degrees 07 minutes 25 seconds East, 1330.47 feet; thence North 89 degrees 53 minutes 00 seconds East, 1161.79 feet to the North and South 1/4 line of said Section 20; thence South 00 degrees 07 minutes 28 seconds East, along said line, 1268.60 feet to a point 60 feet northerly of the South 1/4 corner of said Section 20; thence South 89 degrees 53 minutes 51 seconds East, parallel to said South line of Section 20, 2191.21 feet; thence North 00 degrees 24 minutes 45 seconds West 2602.49 feet to the Point of Beginning; EXCEPT for Parcel B-2 described below.

PARCEL B-2

~~A parcel of land in the Southeast 1/4 of Section 20, T2S, R5E, Scio Township, Washtenaw County, State of Michigan, more particularly described as beginning at a point on the centerline of Honey Creek, said point being distant the following two courses, from the East 1/4 corner of Section 20: South 00 degrees 24 minutes 45 seconds East 1521.86 feet, along the East line of Section 20 and centerline of Staebler Road and North 65 degrees 01 minutes 03 seconds West 524.51 feet, along the centerline of Honey Creek; proceeding thence from said point of beginning, leaving the centerline of Honey Creek, South 00 degrees 24 minutes 45 seconds East 1223.91 feet, entering and to the centerline of Honey Creek; thence, along the centerline of Honey Creek the following four Courses: North 34 degrees 28 minutes 45 seconds West 375.15 feet; thence North 01 degrees 15 minutes 02 seconds West 929.10 feet, to a point of curve, thence 114.83 feet along the arc of a 56.61 feet radius curve to the right, having a central angle of 116 degrees 13 minutes 59 seconds, whose chord measures 96.13 feet and bears North 56 degrees 51 minutes 58 seconds East, to a point of tangency; thence South 65 degrees 01 minutes 03 seconds East 158.14 feet to the point of beginning.~~

PARCEL C:

A parcel of land in the Southeast 1/4 of Section 20, T2S, R5E, Scio Township, Washtenaw County, Michigan, more particularly described as beginning at a point on the East line of said Section 20 distant South 00 degrees 24 minutes 45 seconds East 240.00 feet from the East 1/4 corner of said Section 20; thence continuing along the East line of Section 20, also the centerline of Staebler Road, South 00 degrees 24 minutes 45 seconds East 1281.86 feet to the intersection of the centerline of Honey Creek; thence along the centerline of Honey Creek North 65 degrees 01 minutes 03 seconds West 524.51 feet; thence leaving the centerline of Honey Creek and proceeding North 00 degrees 24 minutes 45 seconds West 1060.06 feet; thence North 89 degrees 58 minutes 00 seconds East 473.84 feet to the point of beginning. Containing 12.73 acres, more or less, and subject to the rights of the public over that part used for Staebler Road, and also subject to any easements of record.

A 10.79 acre parcel of land in the NE 1/4 of Section 20, T2S, R5E, Scio Township, Washtenaw County, Michigan, described as

COMMENCING at the E 1/4 Corner of said Section 20;

thence S89°58'00"W 734.03 feet (recorded as S89°58'00"W 733.74 feet)

along the E & W 1/4 Line of said Section 20 to the

POINT OF BEGINNING;

thence continuing S89°58'00"W 1063.89 feet (recorded as S89°58'00"W 1064.18 feet) along said E & W 1/4 Line;

thence N00°31'00"E 648.70 feet;

thence S79°39'00"E 71.15 feet along the Centerline of Jackson Road;

thence S77°39'07"E 797.00 feet (recorded as S77°36'00"E) along said Centerline;

thence S03°36'40"W 456.35 feet (recorded as S03°36'00"W 456.25 feet);

thence S89°41'00"E 240.00 feet;

thence S12°24'00"W 7.33 feet to the

POINT OF BEGINNING,

being SUBJECT TO the rights of the public over the northerly thirty-three (33) feet thereof for Jackson Road, and

SUBJECT TO a 66.00 foot wide Pipeline Easement to the Panhandle Eastern Pipe Line Company described as follows:

A 66.00 foot wide Pipeline Easement in the NE 1/4 of Section 20, T2S, R5E, Scio Township, Washtenaw County, Michigan, being 33.00 feet on either side of the Centerline described as

COMMENCING at the E 1/4 Corner of said Section 20;

thence S89°58'00"W 1321.89 feet along the E & W 1/4 Line of said Section 20 to the

POINT OF BEGINNING;

thence N42°40'17"E 530.68 feet to the

POINT OF ENDING.

and SUBJECT TO easements and restrictions of record, if any.

LESS AND EXCEPTING:

7

Part of the East half of Section 20, Town 2 South, Range 3 East, Scio Township, Washtenaw County, Michigan. Beginning at a point on the East and West Quarterline of said Section 20 distant North 00 degrees 07 minutes 28 seconds West 2657.24 feet along the North and South Quarterline and North 89 degrees 50 minutes 00 seconds East 1164.37 feet from the South Quarter corner of said Section 20; Thence North 00 degrees 31 minutes 00 seconds East 502.76 feet to a point on the centerline of Jackson Road; Thence along said centerline South 77 degrees 35 minutes 07 seconds East 551.50 feet; Thence South 03 degrees 36 minutes 40 seconds West 456.35 feet; Thence South 89 degrees 41 minutes 00 seconds East 240.00 feet; Thence South 12 degrees 22 minutes 04 seconds West 7.33 feet to a point on the East and West Quarterline of said Section 20; Thence along said Quarterline South 89 degrees 50 minutes 00 seconds West 753.55 feet to the point of beginning. Containing 6.3934 acres of land, subject to the rights of the public over Jackson Road. Also subject to other easements and restrictions of record, if any.

8

PARCEL B-1

A parcel of land in the Southeast 1/4 of Section 20, T2S, R5E, Scio Township, Washtenaw County, State of Michigan, more particularly described as beginning at a point, said point being the intersection of the centerline of Honey Creek with the East line of Section 20 and centerline of Staebler Road, said point being distant South 00 degrees 24 minutes 45 seconds East 1521.66 feet, along the East line of Section 20 and centerline of Staebler Road, from the East 1/4 corner of Section 20; proceeding thence from said point of beginning South 00 degrees 24 minutes 45 seconds East 1081.15 feet, along the East line of Section 20 and centerline of Staebler Road; thence North 89 degrees 53 minutes 51 seconds West 420.83 feet, parallel with and 60 feet Northerly of, as measured normal to, the South line of Section 20, to the centerline of Honey Creek; thence, along the centerline of Honey Creek, North 34 degrees 28 minutes 45 seconds West 94.54 feet; thence, leaving the centerline of Honey Creek, North 00 degrees 24 minutes 45 seconds West 1223.91 feet, entering and to the centerline of Honey Creek; thence South 65 degrees 01 minutes 03 seconds East 524.51 feet, along the centerline of Honey Creek, to the point of beginning. Subject to the rights of the public over that part used for Staebler Road.

PARCEL B-2

A parcel of land in the Southeast 1/4 of Section 20, T2S, R5E, Scio Township, Washtenaw County, State of Michigan, more particularly described as beginning at a point on the centerline of Honey Creek, said point being distant the following two courses, from the East 1/4 corner of Section 20: South 00 degrees 24 minutes 45 seconds East 1521.86 feet, along the East line of Section 20 and centerline of Staebler Road and North 65 degrees 01 minutes 03 seconds West 524.51 feet, along the centerline of Honey Creek; proceeding thence from said point of beginning, leaving the centerline of Honey Creek, South 00 degrees 24 minutes 45 seconds East 1223.91 feet, entering and to the centerline of Honey Creek; thence, along the centerline of Honey Creek the following four Courses: North 34 degrees 28 minutes 45 seconds West 375.15 feet; thence North 01 degrees 15 minutes 02 seconds West 929.10 feet, to a point of curve, thence 114.83 feet along the arc of a 36.61 feet radius curve to the right, having a central angle of 116 degrees 13 minutes 59 seconds, whose chord measures 96.13 feet and bears North 56 degrees 31 minutes 38 seconds East, to a point of tangency; thence South 65 degrees 01 minutes 03 seconds East 158.14 feet to the point of beginning.

9

Land located in Scio Township, County of Washtenaw, State of Michigan, more particularly described as follows:

Commencing at the East 1/4 Corner of Section 20, T2S, R5E, Scio Township, Washtenaw County, Michigan; thence South 00 degrees 24 minutes 45 seconds East 240.00 feet; thence North 89 degrees 58 minutes 00 seconds West 473.84 feet; thence North 00 degrees 24 minutes 45 seconds West 240.01 feet; thence North 89 degrees 58 minutes 00 seconds East 473.84 feet to the point of beginning.

Land located in Scio Township, County of Washtenaw, State of Michigan, more particularly described as follows:

Commencing at the East 1/4 corner of Section 20, T2S, R5E, Scio Township, Washtenaw County, Michigan; thence S 89 degrees 58' 00" W 733.74 feet along the East and West 1/4 line of said Section; thence N 12 degrees 24' 00" E 7.33 feet; thence N 89 degrees 41' 00" W 107.38 feet to the POINT OF BEGINNING; thence continuing N 89 degrees 41' 00" W 132.62 feet; thence N 03 degrees 36' 50" E 456.51 feet; thence S 77 degrees 39' 00" E 199.41 feet along the centerline of Old Jackson Road; thence S 12 degrees 24' 00" W 423.57 feet to the Point of Beginning. Being a part of the Northeast 1/4 of Section 20, T2S, R5E, Scio Township, Washtenaw County, Michigan.

6589 Jackson Rd

A122148.1

10

MASTER DEED



OFFICIAL SEAL

01/06/2004

L-4351 P-767

Washtenaw Co., MI
Peggy M. Haines

CLERK
REGISTER



Page: 1 of 88
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Peggy M Haines, Washtenaw DMA

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**MASTER DEED CREATING
KIRKWAY OF SCIO CONDOMINIUM**

IN THE TOWNSHIP OF SCIO, WASHTENAW COUNTY, MICHIGAN
WASHTENAW COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 442

**EXHIBIT A
CONDOMINIUM BYLAWS**


**EXHIBIT B
CONDOMINIUM SUBDIVISION PLAN**

**EXHIBIT C
AFFIDAVIT OF MAILED NOTICES**

AS REQUIRED BY THE MICHIGAN CONDOMINIUM ACT

MCL 559.101 et seq., MSA 26.50(101) et seq.

WASHTENAW COUNTY TREASURER
X CERTIFICATE NO. 18073 D.D.

Prepared By. 
Scott D. MacDonald
Dixon & MacDonald, P.C.
30665 Northwestern Hwy., Suite 200
Farmington Hills, Michigan 48334

When recorded, return original to Preparer



TABLE OF CONTENTS

RECITALS	1
ARTICLE I. The Project	1
Section 1. General	1
Section 2. The Units	2
ARTICLE II. Legal Description	2
ARTICLE III. Definitions	2
Section 1. General	2
Section 2. Definitions	3
ARTICLE IV. Common Elements	6
Section 1. General Common Elements	6
Section 2. Limited Common Elements	7
Section 3. Responsibilities	8
3.1 Co-owners	8
3.2 Association	8
Section 4. Governmental Right to Cure Deficiencies	9
Section 5. Association Approval	9
Section 6. Inseparability and Use of Units	10
Section 7. Utility Systems	10
Section 8. Open Spaces	10
ARTICLE V. Unit Descriptions and Percentages of Value	11
Section 1. Description of Units	11
Section 2. Percentages of Value	11
Section 3. Modification	11



ARTICLE VI. Subdivision, Consolidation and Other Modifications	12
Section 1. By Developer	12
Section 2. By Co-owners	12
Section 3. Limited Common Elements	12
Section 4. Construction of Improvements on Units	12
ARTICLE VII. Easements	13
Section 1. Reserved to Developer	13
Section 2. Utilities	14
Section 3. Telecommunications	14
Section 4. Support	14
Section 5. Maintenance of Encroachments	14
Section 6. Maintenance of Sanitary and Storm Sewer Systems	14
Section 7. Landscape and Neighborhood Conservation	15
Section 8. Maintenance of Other General Common Elements	16
Section 9. Emergency Vehicles	16
Section 10. Additional Easements	16
Section 11. Modifications	16
Section 12. Appurtenance	16
ARTICLE VIII. Amendments	16
Section 1. By Developer	16
Section 2. By Developer and Co-owners	16
Section 3. Consent of Scio Township	17
Section 4. Consent of County Officials	17
Section 5. Recordation	18
Section 6. Effect of Improper Amendment	18



ARTICLE IX. Termination of Project	18
Section 1. By Developer	18
Section 2. By Developer and Co-owners	18
Section 3. Consent of Scio Township	18
Section 4. Effect of Improper Termination	18
ARTICLE X. Miscellaneous	19
Section 1. Term	19
Section 2. Notices	19
Section 3. Interpretation	19
Section 4. No Public Right of Dedication	19
Section 5. Constructive Notice and Acceptance	19
Section 6. No Representations or Warranties	20
Section 7. Association Approval, Action or Consent	20
Section 8. Assignment	20



Peggy M Haines, Washtenaw DMA

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Page: 5 of 68
01/06/2004 12:55P
L-4351 P-767

MASTER DEED CREATING KIRKWAY OF SCIO CONDOMINIUM

THIS MASTER DEED is made and signed on this 6TH day of January, 2004, by **Curtis-A&M Scio LLC** ("Developer"), a Michigan limited liability company conducting business at 40028 Grand River, Suite 350, Novi, Michigan 48375, which is represented in this document by its Member, Angelo Evangelista, who is fully empowered and qualified to act on behalf of such limited liability company.

RECITALS

A. Developer intends to create a residential site condominium project under the provisions of the Michigan Condominium Act ("Act") to be known as **Kirkway of Scio Condominium** ("Project"), pursuant to the engineering and subdivision plans approved by Scio Township ("Township"), consisting of up to forty-four (44) Units (as hereinafter defined) to be developed in a single Phase (as hereinafter defined) on the real property legally described in **Article II** of this Master Deed and located in Scio Township, Washtenaw County, Michigan ("Property").

B. The term "Condominium Documents," as used herein, shall include this Master Deed, the Condominium Bylaws (as hereinafter defined) and the Condominium Subdivision Plan (as hereinafter defined). The Condominium Bylaws and Subdivision Plan are attached hereto as **Exhibits A and B**, respectively, and are incorporated herein by reference and made a part of this Master Deed.

C. Developer hereby declares that all of the Property shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and Improved (as hereinafter defined) subject to the easements, restrictions, covenants, conditions and equitable servitudes contained in this Master Deed, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the Property, in furtherance of a general plan for the protection, maintenance, subdivision, improvement, sale, lease, care, use and management of the Property and any portion thereof. The covenants, conditions, restrictions, reservations, easements, equitable servitudes, liens and charges set forth herein shall run with the Property and shall be binding upon all Persons (as hereinafter defined) having any right, title or interest in the Property or any part thereof, their heirs, successive owners and assigns; shall inure to the benefit of every portion of the Property and any interest therein; shall inure to the benefit of and be binding upon the Developer, each Co-owner (as hereinafter defined), and each Mortgagee (as hereinafter defined) and their respective successors-in-interest; and may be enforced by the the Developer, the Association (as hereinafter defined), or a Co-owner or Mortgagee.

NOW THEREFORE, Developer declares as follows:

ARTICLE I THE PROJECT

Section 1. General. Developer intends to create a residential site condominium project under the provisions of the Act to be known as **Kirkway of Scio Condominium**, pursuant to the engineering and site plans approved by Scio Township, consisting of up to forty-four (44) Units to be developed in a single Phase on the real property legally described in **Article II** of this Master Deed and located in Scio Township, Washtenaw County, Michigan.



Peggy M Haines, Washtenaw

DMA

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Page: 6 of 68
01/06/2004 12:55P

L-4351 P-767

Kirkway of Scio Condominium

Section 2. The Units. The Units, including their numbers, boundaries, dimensions, and areas, are described in the Condominium Subdivision Plan. Each Unit is suitable for individual use, having its own entrance to and exit from a General Common Element (as hereinafter defined) of the Project. Each Co-owner in the Project shall have a particular and exclusive property right to the Co-owner's Unit and to the Limited Common Elements (as hereinafter defined) appurtenant to it and shall have an undivided and inseparable right to share the General Common Elements of the Project with other Co-owners, as designated by this Master Deed.

ARTICLE II

LEGAL DESCRIPTION

The Property submitted as the Project is a 16.93 acre parcel of land located in the Southeast 1/4 of Section 20, Town 2 South, Range 4 East, Scio Township, Washtenaw County, Michigan and is legally described as follows:

Commencing at the E 1/4 corner of Section 20, T2S, R5E, Scio Township, Washtenaw County, Michigan, thence S 00°24'45" E 1521.86 feet along the East line of said Section 20 and the centerline of Staebler Road (66 feet wide), to a point being the intersection of the East line of said Section 20 with the centerline of the Honey Creek Drain, thence N 65°01'03" W 66.42 feet along said centerline to the POINT OF BEGINNING, thence S 00°24'45" E 44.28 feet along the West right-of-way line of Staebler Road to a point hereinafter referred to as Intermediate Traverse Point "B"; thence continuing S 00°24'45" E 1064.81 feet along the West line of Staebler Road; thence N 89°53'51" W 312.25 feet along a line 60 feet North of and parallel to the South line of said Section 20, to a point hereinafter referred to as Intermediate Traverse Point "A"; thence N 89°53'51" W 48.60 feet to the centerline of the Honey Creek Drain; thence along the centerline of said Honey Creek Drain in the following four (4) courses: N 34°28'45" W 469.79 feet; N 01°15'02" W 929.10 feet; Northeasterly 114.83 feet in the arc of a curve to the right, radius 56.61 feet, central angle 116°13'59", chord N 56°51'58" E 96.13 feet; S 65°01'03" E 616.23 feet to the POINT OF BEGINNING, said Honey Creek Drain being also defined by the following described intermediate traverse line: Beginning at Intermediate Traverse Point "A", thence N 34°28'45" W 485.43 feet; thence N 00°12'48" W 917.31 feet; thence S 70°22'25" E 177.90 feet; thence S 65°01'03" E 458.09 feet to said Intermediate Traverse Point "B." Being a part of the SE 1/4 of said Section 20, T2S, R5E, and containing 16.93 acres of land, more or less, subject to the easements identified in Article VII of this Master Deed.

H 08-20-400-007

ARTICLE III

DEFINITIONS



Section 1. General. Certain terms are utilized not only in this Master Deed and its exhibits, but also in other documents for the Project, such as the Articles of Incorporation; the Condominium Bylaws; the Rules and Regulations (as hereinafter defined) of the **Kirkway of Scio Condominium Association**, a Michigan nonprofit corporation, Disclosure Statement, and deeds, mortgages, liens, land contracts, easements, and other documents affecting interests in the Project. As used in such documents, the definitions following in **Section 2** of this Article apply unless the context otherwise requires.



Section 2. Definitions.

2.1 **Act** shall mean the Michigan Condominium Act, MCL 559.101 et seq., MSA 26.50(101) et seq.

2.2 **Amend, Amendment or Amending**, when used without further modification, shall be deemed to include any subsequently Recorded (as hereinafter defined) declarations, covenants, conditions and/or restrictions to amend the Condominium Documents (as hereinafter defined).

2.3 **Assessment** shall mean the periodic charges pursuant to **Article IX** of the Condominium Bylaws against each Co-owner and his Ownership Interest (as hereinafter defined) in the Property, representing such Co-owner's proportionate share of the Project's operating expenses which are to be paid by the Co-owner to the Association. Assessments shall include all late payment penalties, interest charges, legal fees or other costs incurred by the Association in its efforts to collect all Assessments (other than Special Assessments, as hereinafter defined) authorized pursuant to this Master Deed.

2.4 **Association or Condominium Association** means the nonprofit corporation organized under Michigan law of which all Co-owners must be Members (as hereinafter defined). This corporation shall administer and maintain the Project. Any action required of or permitted to the Association may be carried out by its Board of Directors (as hereinafter defined) unless it is specifically reserved to its Members by the Condominium Documents or Michigan law.

2.5 **Association Bylaws** shall mean the Condominium Bylaws of the Association organized to maintain and administer the Project. Association Bylaws shall be synonymous with Condominium Bylaws (as hereinafter defined).

2.6 **Board or Board of Directors** shall mean the governing board of the Association.

2.7 **Common Elements**, if used without modification, shall mean the part of the Project other than the Condominium Units, including all General and Limited Common Elements described in **Article IV** of this Master Deed.

2.8 **Condominium Bylaws** shall mean **Exhibit A** to this Master Deed, which states the substantive rights and obligations of the Co-owners. Condominium Bylaws shall be synonymous with Association Bylaws.

2.9 **Condominium Documents** shall mean this Master Deed and all its exhibits, as amended, Recorded pursuant to the Michigan Condominium Act, and any other documents referred to in this document that affect the rights and obligations of a Co-owner in the Project, including, by way of example only, the Condominium Bylaws.

2.10 **Condominium Subdivision Plan** shall mean **Exhibit B** to this Master Deed, which is the site drawing, the survey, and other drawings depicting the existing and proposed structures and Improvements, including their locations on the Property.



2.11 **Condominium Unit or Unit** shall mean that part of the Project designed and intended for separate ownership and use, including all Improvements and Residences thereon, as described in this Master Deed and as depicted on the attached **Exhibit B**.

2.12 **Co-owner** shall mean a Person or Persons, including the Developer, holding a fee simple or land contract interest of Record in a Unit which is a part of the Property, excluding (a) those Persons holding title as security for the performance of an obligation other than sellers under executory contracts of sale and (b) land contract vendees in default. Owner is synonymous with **Co-owner**.

2.13 **Developer**, when used without further modification in the Condominium Documents, shall mean **Curtis-A&M Scio LLC** and any Person (as hereinafter defined) to which Developer may assign any of its rights hereunder by an express written and Recorded assignment in which such assignee is designated a successor Developer. Any such assignment may include or exclude specific rights and may be subject to such conditions and limitations as Developer may impose in its sole and absolute discretion.

2.14 **Development and Sales Period**, for the purposes of the Condominium Documents and the rights reserved to the Developer thereunder, shall mean the period commencing with the initial Recordation of the Master Deed and continuing as long as the Developer owns any Unit which it offers for sale.

2.15 **General Common Elements** shall mean those Common Elements of the Project described in **Article IV, Section 1**, which are for the use and enjoyment of all Co-owners, subject to such charges as may be assessed to defray the operation costs.

2.16 **Improve, Improved or Improving** shall refer to the act of modifying or constructing structures on, features of, and appurtenances to the Property, of every type and kind, including but not limited to waterways, walkways, storm drainage systems, roads, parking areas, fences, retaining walls, poles, signs, grading, excavation, filling, or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern or change of stream bed; landscaping, planting, clearing, or removing of trees, shrubs, grass, or plants; and any change or alteration of any previously approved Improvement.

2.17 **Improvement(s)** shall refer to all structures on, features of, and appurtenances to the Property, of every type and kind, including but not limited to waterways, walkways, storm drainage systems, roads, parking areas, fences, retaining walls, poles, signs, grading, excavation, filling, or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern or change of stream bed; landscaping, planting, clearing, or removing of trees, shrubs, grass, or plants; and any change or alteration of any previously approved Improvement.

2.18 **Limited Common Elements** shall mean those Common Elements of the Project described in **Article IV, Section 2**, which may be reserved for the exclusive use of the Co-owners of a specified Unit or Units, at the Developer's election, or by subsequent amendment to this Master Deed.

2.19 **Maintain, Maintenance or Maintaining**, with respect to any Unit, Improvement or Common Element, shall refer to the act of inspecting, cleaning, decorating, maintaining, repairing, and replacing as necessary.



2.20 **Master Deed** shall mean this instrument as well as its exhibits and Amendments, by which the Project is submitted for condominium creation and ownership.

2.21 **Member** shall mean every Co-owner holding a membership in the Association.

2.22 **Mortgage** shall mean any mortgage or other conveyance of a security interest in a Unit to secure the performance of an obligation, which interest will be released or discharged upon the completion of such performance.

2.23 **Mortgagee** shall mean mortgagees of Record.

2.24 **Mortgagor** shall mean a Person who mortgages his property to another (i.e., the maker of a Mortgage).

2.25 **Owner** shall mean a Person or Persons, including a Developer, holding a fee simple or land contract interest of Record in a Unit which is a part of the Property, excluding (a) those Persons holding title as security for the performance of an obligation other than sellers under executory contracts of sale and (b) land contract vendees in default. **Co-Owner** is synonymous with **Owner**.

2.26 **Ownership Interest** shall mean the interest in a Unit held by a Co-owner.

2.27 **Percentage of Value** shall mean the percentage assigned to each Unit by this Master Deed, which determines the value of a Co-owner's vote at Association meetings when voting by value or by number and value and the proportionate share of each Co-owner in the Common Elements of the Project.

2.28 **Person** shall mean a natural individual, corporation, partnership or any other entity with the legal right to hold title to real property.

2.29 **Phase** shall mean any increment of development of the Property developed by the Developer.

2.30 **Project** shall mean **Kirkway of Scio Condominium**, a condominium development established in conformity with the Act.

2.31 **Property** shall mean the real property encumbered by this Master Deed described in **Article II** hereof.

2.32 **Record, Recorded, Recordation or Recording** shall mean, with respect to any document, the act of filing such document in the Office of the Washtenaw County Register of Deeds.

2.33 **Residence** shall mean a detached dwelling intended for use and occupancy by a Single Family (as hereinafter defined) and located within its own Unit.

2.34 **Rules and Regulations** shall mean the Rules and Regulations adopted by the Board pursuant to **Article V, Section 3** of the Condominium Bylaws, as amended from time to time.



2.35 **Sanitary Sewer System** as used herein, shall include all components of the Sanitary Sewer System throughout the Project, including any lines and easements, whether located within the common elements, limited common elements, or within individual Units.

2.36 **Single Family** shall mean a group of natural persons related to each other by blood or legally related to each other by marriage or adoption.

2.37 **Special Assessment** shall mean a charge against a particular Co-owner ("Responsible Party"), directly chargeable to or reimbursable by such Responsible Party, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of the Condominium Documents, or levied by the Association as a fine or penalty for noncompliance with the Condominium Documents, plus interest and other charges added to such fine or penalty as provided for in the Condominium Documents.

2.38 **Storm Sewer System** as used herein, shall include all components of the Storm Sewer System throughout the Project, including any lines, retention and detention basins, and drainage easements, whether located within the common elements, limited common elements, or within individual Units.

2.39 **Subdivision Plan** shall mean **Exhibit B** to this Master Deed, as amended from time to time, including the site drawing, the survey, and other drawings depicting the existing and proposed structures and Improvements, including their locations within the Project.

2.40 **Transitional Control Date** shall mean the date when the Board of Directors takes office pursuant to an election in which the votes that may be cast by eligible Co-owners unaffiliated with the Developer exceed the votes that may be cast by the Developer.

2.41 **Township** shall mean the Township of Scio in the County of Washtenaw, State of Michigan.

2.42 **Unit or Condominium Unit** shall mean that part of the Project designed and intended for separate ownership and use, including all Improvements and Residences thereon, as described in this Master Deed and as depicted on the attached **Exhibit B**.

ARTICLE IV **COMMON ELEMENTS**

The Common Elements of the Project are depicted on the attached **Exhibit B**. The responsibilities for their Maintenance are as follows.

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

1.1 **Land.** The Property, including but not limited to open spaces and easement interests of the Project in the Property for ingress, egress and/or utility installation, over, across and through the Units in the Project, unless specified as a Unit, or as a Limited Common Element under **Section 2** of this Article.



1.2 Roadways, and Common Walkways in Open Spaces. The roadways located within the boundaries of the Project, unless and until they are dedicated to the public, and common walking paths located within open spaces, i.e., those walking paths which are not located within or immediately adjacent to the boundaries or Limited Common Elements of any Unit, as depicted on the attached **Exhibit B**.

1.3 Landscaping, Exterior Lighting, Signage and Sprinkler Systems. All landscaping, exterior lighting and sprinkler systems installed by the Developer or the Association within the General Common Elements of the project.

1.4 Electrical, Gas, Telephone and Cable Television. All underground electrical, gas, telephone and cable television mains and lines up to the point where they intersect the boundary of a Unit and all common lighting for the Project, if any is installed, up to but not including, the point of lateral connection for service to each Residence now or hereafter constructed within Unit boundaries.

1.5 Sanitary and Storm Sewer Systems. The Sanitary and Storm Sewer Systems serving the Project designated on the Condominium Subdivision Plan.

1.6 Other. All other Common Elements of the Project not designated in this document as Limited Common Elements that are not enclosed within the boundaries of a condominium Unit and that are intended for common use or are necessary for the existence, upkeep, or safety of the Project.

Section 2. Limited Common Elements. Limited Common Elements shall be subject to the exclusive use and enjoyment of the Owners of the Units to which the Limited Common Elements are appurtenant. The Limited Common Elements are.

2.1 Land. Certain land may be shown on the Condominium Subdivision Plan as Limited Common Elements, and each such Limited Common Element is limited in use to the Units to which it appertains, as shown on the attached **Exhibit B**.

2.2 Driveways. Private driveways serving individual Units are Limited Common Elements, even if they are located partially on land designated as a General Common Element on the Condominium Subdivision Plan.

2.3 Walkways Appurtenant to Units. The paved walkways located within the boundaries of the Project which are immediately adjacent or appurtenant to, or located within, the boundaries or Limited Common Elements of any Unit, i.e., those paved walkways which are not located within open spaces, as depicted on the attached **Exhibit B**.

2.4 Utility Leads. All utility laterals and service leads serving a Unit and all related potable water facilities servicing a Unit are limited in use to the Units serviced by them.

2.5 New Limited Common Elements. The Developer reserves the right to designate additional Limited Common Elements appurtenant to particular Units by subsequent Amendments to this Master Deed. The Co-owners and Mortgagees of Condominium Units and all other parties interested in the Project shall be deemed to have irrevocably and unanimously consented to such amendments and irrevocably appoint the Developer or its successors as agent and attorney to make any such Amendments to the Master Deed. Limited Common Elements, if

any, shall be subject to the exclusive use and enjoyment of the Co-owner of the Unit or Units to which such Limited Common Elements are appurtenant.

Section 3. Responsibilities. Responsibilities for Maintaining the Common Elements are as follows.

3.1 Co-owners.

(a) Structures, Improvements and Yards; Association Approval.

The Co-owner(s) of a Unit shall be responsible for the Maintenance of all structures and Improvements, and the Maintenance and mowing of all yard areas, situated within the boundaries of such Unit, including any portions thereof which may extend beyond Unit boundaries up to the paved roadway; provided that the exterior appearance of all such structures, Improvements and yard areas shall be subject at all times to the approval of the Association as governed by **Section 5** of this Article.

(b) Limited Common Elements. The costs of Maintaining the Limited Common Elements shall be the responsibility of the Co-owner(s) of the Unit or Units to which such Limited Common Elements are appurtenant; provided that the exterior appearance of all such structures, Improvements and yard areas shall be subject at all times to the approval of the Association as governed by **Section 5** of this Article.

(c) Utility Services. The responsibility for and cost of Maintaining all utility laterals and service leads within a Unit, and all costs of electricity, natural gas or propane and any other utility services for a Unit, shall be borne by the Co-owner of the Unit to which such services are furnished, and shall be borne by the Co-owner of that Unit, except to the extent that such expenses are borne by a utility company or a public authority.

(d) Co-owner Fault. If any Co-owner of a Unit elects to construct or install any Improvement to his Unit or a Common Element in the Project that increases the costs of Maintenance for which the Association is responsible, the Association may assess the increased costs or expenses against the Unit of such Co-owner. Further, a Co-owner will be deemed to be "at fault," and therefore responsible for the Maintenance expenses of a Common Element, if the Maintenance undertaken was necessitated by the act or neglect of such Co-owner or his agent, invitee, licensee, family member or pet. The operation and Maintenance of Common Elements are further subject to the terms and provisions of the Condominium Documents, Rules and Regulations, and all applicable federal, state and local statutes, laws, ordinances and regulations. The expenses contemplated in this paragraph may be assessed as part of the regular assessments and/or special assessments against the Unit of the responsible Co-owner.

3.2 Association.

(a) General Common Elements. The operation and cost of maintaining all General Common Elements shall be borne by the Association, except to the extent of Maintenance due to the act or neglect of a Co-owner or his agent, invitee, family member or pet. Notwithstanding the foregoing, the Association may expend funds for landscaping, decoration, maintenance, repair and replacement of the General Common Elements, and as necessary to preserve the open spaces contained within the project as required by **Section 8** of this Article, and such costs and expenses shall be costs of operation and maintenance of the Condominium.



(b) **Maintenance of Roadways, Walkways in Open Spaces, and Sanitary and Storm Sewer Systems.** The Association shall Maintain the roadways in the Project unless and until they are dedicated to the public. The Association shall also Maintain the paved and wood chip walking paths located within open spaces, as depicted on the attached **Exhibit B**, and the Sanitary and Storm Sewer Systems in the Project. The expenses of Maintenance of the roadways, said walking paths, Sanitary and Storm Sewer Systems and any reserve for the replacement thereof, shall be expenses of administration of the Project, and shall be assessed against all Co-owners of Units in the Project. Except in the case of Co-owner fault, each of those Units shall be assessed a proportionate share of such expenses equal to its Percentage of Value, which may be assessed as part of the regular assessments and/or as special assessments against those Units. The roadways, said walking paths, Sanitary and Storm Sewer Systems shall be maintained in accordance with the provisions of the Master Deed and Bylaws for the Project, all rules and regulations for the Project, and all applicable federal, state and local statutes, laws, ordinances and regulations.

(c) **Timeframes for Maintenance of Storm Sewer Systems.** Routine Maintenance of the Storm Sewer System shall be performed in conformance with the approved storm water management system maintenance plan, schedule and budget on file with the Washtenaw County Drain Commissioner. Notwithstanding anything contained therein to the contrary, routine Maintenance of the Storm Sewer System shall be completed within thirty (30) days of receipt of written notification by the responsible governmental entity that action is required, unless other acceptable arrangements are made with the supervising governmental entity. Emergency maintenance will be completed within thirty-six (36) hours of written notification unless threat to public health, safety and welfare requires immediate action.

Section 4. Governmental Right to Cure Deficiencies. If the Association or its contractors or agents fail to Maintain the roadways, Sanitary Sewer System or Storm Sewer Systems, or fails to fulfill any other Maintenance required by the Master Deed, the Bylaws and applicable laws, then, in addition to all other remedies available under applicable law, Scio Township, the Washtenaw County Road Commission, the Washtenaw County Drain Commissioner, the Michigan Department of Environmental Quality, and their respective contractors and agents, may, at their option, with or without notice, enter onto the Project or any Unit that is not in compliance and perform any necessary Maintenance upon any Common Elements in need of such Maintenance. In that event, the Association shall reimburse the Township, the County and/or their contractors all costs incurred in performing the necessary Maintenance, plus an administrative fee of 15%. In the event of default of such payment, the Township shall be entitled to withdraw any or all of the cash deposit or letter of credit referenced in Section 3(c) above, without the consent of the Association or any other Person or entity, and undertake whatever collection proceedings are available to it by law, including, at its option, assessment of the costs therefor against the co-owners of the Units in the Project, to be collected as a special assessment on the next annual tax roll of the Township. At a minimum, the Association shall establish an annual inspection and maintenance program for the roads, storm water detention areas and storm water filtration facilities in the Project. This provision may not be modified, amended, or terminated without the consent of Scio Township.

Section 5. Association Approval.

5.1 The appearance of all Common Elements, and the exterior appearance of all structures, Residences, Improvements and yard areas, shall at all times be subject to the approval of the Association, and if such appearance does not conform to reasonable standards established by the Association, the Association may take whatever action is necessary to



achieve the required aesthetic standards and charge the cost to the Co-owner or Person, if any, responsible for Maintaining the common element, structure, Improvement, or yard area.

5.2 While it is intended that each Co-owner will be solely responsible, except as noted above, for the performance and cost of the Maintenance of the Residence and all other appurtenances and Improvements constructed or located within a Unit, it is nevertheless a matter of concern that a Co-owner may fail to properly Maintain his Residence, Improvements or any Common Element appurtenant thereto in a proper manner and in accordance with the standards set forth by the Association. In the event a Co-owner fails, as required by the Condominium Documents or any Rules or Regulations promulgated by the Association, to properly and adequately Maintain his Unit or any Improvement or appurtenance located therein or any General or Limited Common Element appurtenant thereto, the Association and/or the Developer shall have the right, but not the obligation, to undertake such reasonable uniform, periodic Maintenance as they may deem appropriate provided that neither the Association nor the Developer will be obligated to repair any Residence or other Improvement located within or appurtenant to a Unit, nor will the Association or Developer be obligated to perform any Maintenance thereon.

5.3 Failure of the Association or the Developer to take any such action shall not be deemed a waiver of the Association's or Developer's right to take any such action at a future time. All costs incurred by the Association and/or the Developer in performing any responsibilities which are required in the first instance to be borne by a Co-owner shall be charged to the affected Co-owner or Co-owners on a reasonably uniform basis and collected in accordance with the Assessment procedures established by the Condominium Bylaws. The lien for non-payment shall attach to any such charges as in all cases of regular Assessments and may be enforced by the use of all means available to the Association under the Condominium Documents and by law for the collection of regular Assessments, including without limitation, legal action, foreclosure of the lien securing payment and the imposition of fines.

Section 6. Inseparability and Use of Units. Except as stated in this Master Deed, Condominium Units shall not be separable from their Limited Common Elements and shall not be used in any manner inconsistent with the purposes of the Project or in any other way that would interfere with or impair the rights of any Co-owner to use and enjoy the Co-owner's Unit or Limited Common Elements.

Section 7. Utility Systems. Some or all of the utility and cable television lines, systems (including mains and service leads) and equipment may be owned by the local public authority or by a utility or cable television company that is providing the pertinent service. Accordingly, such lines, systems, and equipment shall be General Common Elements only to the extent of the Co-owners' interest in them, if any, and Developer makes no warranty of any such interest. The Developer and the Association have the responsibility to ensure that water, sanitary sewer, telephone, electric and natural gas mains are installed within reasonable proximity to, but not within, the Units. Each Co-owner will be entirely responsible for arranging for and paying all costs in connection with extension of utilities by laterals from the mains to any structures and fixtures located within the Units.

Section 8. Open Spaces. The open spaces depicted on the attached Exhibit B shall be preserved without interference, Improvement, excavation, fill or other work which would in any way alter any portion of said open spaces from their natural state, except as necessary to allow the Association to Maintain the walkways located within said open spaces, without the specific written consent of the Township. Further, no rubbish, debris, trash, chemicals, fertilizers, petroleum



distillates, or other substances of any kind shall be placed on or in the open spaces. If the open spaces are not preserved in accordance with this paragraph, no additional Certificates of Occupancy or additional building permits will be issued by the Township until the Township, in the good faith exercise of reasonable judgment, is satisfied that the open spaces have been returned to an aesthetically pleasing condition and is in compliance with applicable Township codes and ordinances.

ARTICLE V

UNIT DESCRIPTIONS AND PERCENTAGES OF VALUE

Section 1. Description of Units. A complete description of each Unit in the Project, with elevations referenced to an official benchmark of the U.S. Geological Survey sufficient to locate accurately the space enclosed by the description without reference to the structure itself, is provided in the Condominium Subdivision Plan prepared by Midwestern Consulting, LLC and attached as **Exhibit B** hereto. Each Unit shall include all the space within certain horizontal planes designated by an outline on the Condominium Subdivision Plan and as delineated by detailed dimensional descriptions of the Unit in the outline. None of the Units in the Project are enclosed within a structure.

Section 2. Percentages of Value. The Percentage of Value of each Unit is equal to the quotient resulting from dividing 100% by the number of Units in the Project. Therefore an equal Percentage of Value shall be allocated to each Unit. The Project consists of forty-four (44) Units. The percentage of value assigned to each Unit shall determine each Co-owner's share of the Common Elements, the proportionate share of each Co-owner in the proceeds and expenses of administration, and the value of the Co-owner's vote at meetings of the Association.

Section 3. Modification. The Developer may modify the number, size, style, and location of a Unit, or of any Common Element, by an Amendment effected solely by such Developer or its successors without the consent of any Co-owner, Mortgagee, or other party, as long as the modification does not unreasonably impair or diminish the appearance of the Project or the view, privacy, or other significant attributes or amenities of other Units that adjoin or are proximate to the modified Unit or Common Element. Notwithstanding the foregoing, no Unit that has been sold or is subject to a binding purchase agreement shall be modified without the consent of the Co-owner or of the purchaser and the Mortgagee. The Developer may also, in connection with any such Amendment, readjust Percentages of Value for all Units to give reasonable recognition to such a modification. No Unit modified in accordance with this provision shall be conveyed until an Amendment to the Master Deed has been Recorded. All Co-owners, Mortgagees of Units, and other parties interested in the Project shall be deemed to have unanimously consented to any Amendments necessary to effect such modifications and, subject to the limitations stated in this Master Deed, to the proportionate reallocation of Percentages of Value of existing Units that the Developer or its successors determines is necessary in conjunction with such modifications. All such interested parties irrevocably appoint the Developer or its successors as agent and attorney to sign such amendments to the Master Deed and all other Condominium Documents as may be necessary to effect such modifications. Notwithstanding anything in this Master Deed to the contrary, no term or provision of this Article V shall be amended without the prior approval of Scio Township.



ARTICLE VI
SUBDIVISION, CONSOLIDATION AND OTHER MODIFICATIONS

Units in the Project may be subdivided, consolidated and/or modified and the boundaries relocated, in accordance with Sections 48 and 49 of the Act and this Article. The resulting changes in the affected Unit or Units shall be promptly reflected in a duly recorded amendment or amendments to this Master Deed.

Section 1. By Developer. Subject to approval by Scio Township, Developer reserves the sole right during the Development and Sales Period, without the consent of any other Co-owner or any Mortgagee of any Unit, to:

- 1.1 **Subdivide Units.** Subdivide or resubdivide any Units owned by Developer.
- 1.2 **Consolidate Contiguous Units.** Consolidate under single ownership two or more contiguous Units owned by Developer.
- 1.3 **Relocate Boundaries.** Relocate any boundaries between adjoining Units owned by Developer.

In connection with any subdivision, consolidation or relocation of boundaries of Units by the Developer, the Developer may modify, add to or remove Common Elements, and designate or redesignate them as General or Limited Common Elements and shall reallocate the percentages of value of the affected Units, as required by the Act. These changes shall be given effect by an appropriate amendment to this Master Deed, which shall be prepared and recorded by and at the expense of the Developer.

Section 2. By Co-owners. Subject to approval by Scio Township and, during the Development and Sales Period, the Developer, one or more Co-owners may

- 2.1 **Subdivision of Units.** Subdivide or resubdivide any Units owned by such Co-owner(s) upon written request to the Association.
- 2.2 **Consolidation of Units; Relocation of Boundaries.** Consolidate under single ownership two or more contiguous Units owned by such Co-owner(s) to eliminate boundaries or relocate the boundaries between those Units upon written request to the Association.

These changes shall be given effect by an appropriate amendment to this Master Deed, which shall be prepared and recorded by the Association. The Co-owner(s) requesting the changes shall bear all costs of preparation and recording of the amendment. The changes shall become effective upon recording of the amendment in the office of the Washtenaw County Register of Deeds.

Section 3. Limited Common Elements. Limited Common Elements shall be subject to assignment and reassignment in accordance with Section 39 of the Act and in furtherance of the rights to subdivide, consolidate and/or relocate boundaries described in this Article.

Section 4. Construction of Improvements on Units. Subject to the restrictions contained in the Condominium Documents, including the Rules and Regulations of the Project,



as amended from time to time, a Co-owner may construct on his Unit one single-family Residence. All construction shall be in accordance with and subject to the Rules and Regulations and all applicable codes, ordinances, statutes, laws, rules, regulations and private use restrictions.

ARTICLE VII **EASEMENTS**

Section 1. Easements Reserved to Developer.

1.1 **Roadway Easement.** The Project is subject to the rights of the public over that part of the Property used for Jackson and Staebler Roads. The Developer hereby reserves for the benefit of itself, its successors and assigns, and all future Co-owners of the Property or any portion or portions thereof, an easement for the unrestricted use of all roads and walkways in the Condominium for the purpose of ingress and egress to and from all or any portion of the Property. All expenses of Maintenance of any roadway referred to in this Article shall be shared by the Co-owners of Units within the Project in accordance with their Percentages of Value. Developer also reserves the right at any time during the Development and Sales Period to dedicate to the public a 66 foot right-of-way (or a right-of-way of such other width as may be required by the local public authority) over any or all of the roadways in the Project, as shown on the Condominium Subdivision Plan. Any such right-of-way dedication may be made by the Developer without the consent of any Co-owner, Mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and Condominium Subdivision Plan, recorded in the Washtenaw County Records. All of the Co-owners and Mortgagees of Units and other Persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed and Condominium Subdivision Plan to effectuate the foregoing right-of-way dedication.

1.2 **Utility Easement.** The Developer hereby reserves the right at any time during the Development and Sales Period to grant easements for utilities over, under and across the General Common Elements, Limited Common Elements and Units of the Condominium to appropriate governmental agencies or public utility companies and to transfer title of utilities to state, county or local governments. Any such easement or transfer of title may be conveyed by the Developer without the consent of any Co-owner, Mortgagee or other Persons interested or to become interested in the Project from time to time, and they shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed and Condominium Subdivision Plan to effectuate the foregoing easements or transfers of title.

1.3 **Easement for Development and Sales Activities.** The Developer hereby reserves for the benefit of itself, its successors and assigns during the Development and Sales Period an easement to, from and over all General Common Elements, Limited Common Elements and Units to carry on any activity in connection with or reasonably related to the development and sale of the Project or Units therein. These activities include but are not limited to Maintenance of signs, construction and sales trailers, and construction equipment and supplies anywhere on the Property.

1.4 **Grant of Additional Easements by Developer.** The Developer hereby reserves the right to grant such other easements, licenses, rights-of-entry and rights-of-way over, under, across and through the Project for other lawful purposes as may be necessary for the benefit of the Project during the Development and Sales Period.

Section 2. Utility Easements. There shall be easements to, through, and over those parts of the Condominium, including all General Common Elements, Limited Common Elements and Units, as is reasonable for the continuing Maintenance and expansion of all General Common Element utilities depicted in the Condominium Subdivision Plan, including but not limited to the following: (a) right-of-way for pipeline as recorded in Liber 360 of Deeds, Page 178, Washtenaw County Records, Affidavit recorded in Liber 2673, Page 255, Washtenaw County Records; (b) Easement Agreement between the Detroit Edison Company, Michigan Bell Telephone Company and Scio Farms Estates, as recorded in Liber 2058, Page 232, Washtenaw County Records; (c) Memorandum of Agreement between Scio Farms Estates Limited Partnership and J. Dorn Communications, Inc., as recorded in Liber 2010, Page 511, Washtenaw County Records, as assigned by a written assignment recorded in Liber 2041, page 895, Washtenaw County Records, and (d) Easement Agreement for utilities and telecommunications between Scio Farms Estates Limited Partnership and DJK Properties, as recorded in Liber 3093, Page 169, Washtenaw County Records. Public utilities shall have access to the General Common Elements, Limited Common Elements and to the Units at reasonable times for the installation, Maintenance or expansion of such services.

Section 3. Telecommunications Easements. In addition to the easements identified in Section 2 of this Article, the Association, acting through its duly constituted Board of Directors and subject to the Developer's approval during the Development and Sales Period, shall have the power to grant additional easements, licenses and other rights of entry, use and access and to enter into any contract or agreement, including wiring agreements, right-of-way agreements, access agreements and multi-unit agreements and, to the extent allowed by law, contracts for sharing of any installation or periodic subscriber service fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, earth antenna and similar services (collectively, "Telecommunications") to the Project or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which will violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any Telecommunications or other company or entity in connection with such service, including fees, if any, for the privilege of installing same or sharing periodic subscriber service fees, shall be receipts affecting the administration of the Condominium within the meaning of the Act and shall be paid over to and shall be the property of the Association.

Section 4. Support Easements. Every part of a Condominium Unit and its appurtenances that contributes to the structural, lateral or subjacent support of Common Elements shall be burdened with an easement of support for the benefit of the Common Elements and other Condominium Units. These absolute duties of support cannot be delegated to independent contractors.

Section 5. Easement for Maintenance of Encroachments. If any part of a Unit or Common Element encroaches on another Unit or Common Element due to the shifting, settling, or moving of a Residence or Improvement, or due to survey errors or construction deviations, reciprocal easements shall exist for the maintenance of such encroachments for as long as they exist and for the maintenance of the encroachments after rebuilding in the event of destruction.

Section 6. Easements for Maintenance of Sanitary and Storm Sewer Systems.

6.1 The Association, Developer, Washtenaw County, State of Michigan and Scio Township and their respective contractors, employees, agents and assigns are hereby



granted a permanent and irrevocable easement to enter in, over, under and through the General Common Elements, Limited Common Elements and in, over, under and through each Unit in the Project for the purpose of inspecting, Improving and Maintaining the Sanitary and Storm Sewer Systems or any portion thereof, including but not limited to those portions of the Storm Sewer System in the road right-of-way, and in addition to a certain right-of-way for drain, as disclosed in Liber 557, Page 169, Washtenaw County Records. The area of the Property that contains any part of the Sanitary or Storm Sewer Systems shall be maintained by the Association in a manner so as to be accessible at all times and shall contain no structures or Improvements that would unreasonably interfere with such access. This easement shall not be modified, amended or terminated without the express written consent of the Washtenaw County Drain Commissioner and Scio Township.

6.2 In addition, the Storm Sewer System shall be subject to a perpetual and permanent easement in favor of Washtenaw County Drain Commissioner, the Kirkway of Scio Drainage District (jointly referred to as "grantee"), and grantee's successors, assigns and transferees, in, over, under and through the Property described on **Exhibit B** hereto, which easement may not be amended or revoked except with the written approval of grantee, and which contains the following terms and conditions and grants the following rights:

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

(b) The grantee shall have the right to sell, assign, transfer or convey this easement to any other governmental unit for the purposes identified in subsection (a), above;

(c) No Owner in the condominium Project shall build or convey to others any permission to build any permanent structures on the said easement;

(d) No Owner in the condominium Project shall build or place on the area covered by the easement any type of structure, fixture or object, or engage in any activity or take any action, or convey any property interest or right, that would in any way either actually or threaten to impair, obstruct, or adversely affect the rights of grantee under the said easement;

(e) The grantee and its agents, contractors and designated representative shall have the right of entry on, and to gain access to, the easement property;

(f) All Owners in the condominium Project release grantee and its successors, assigns or transferees from any and all claims to damages in any way arising from or incident to the construction and maintenance of a drain or sewer or otherwise rising from or incident to the exercise by grantee of its rights under the said easement, and all Owners covenant not to sue grantee for any such damages.

Section 7. Landscape and Neighborhood Conservation Easements. Units bordering Staebler Road shall be subject to a 10' landscape easement in favor of the Association running parallel and adjacent to the public road right-of-way, as depicted on the attached **Exhibit B**. Notwithstanding anything herein to the contrary, the Association shall bear responsibility for the cost and Maintenance of the landscaping located within said easement. Further, Developer hereby reserves permanent easements in favor of the Association for the construction, operation and Maintenance of Neighborhood Conservation Easements. Notwithstanding anything herein to the

contrary, no vegetation may be removed from the Neighborhood Conservation Easements except that which is dead or diseased.

Section 8. Easement for Maintenance of Other General Common Elements. Developer hereby reserves permanent easements in favor of the Association for the construction, operation and Maintenance of General Common Elements for which the Association is responsible.

Section 9. Easement for Emergency Vehicles. Developer hereby reserves for the benefit of Scio Township or any public or private emergency service agency, an easement to, from and over all General Common Elements, Limited Common Elements and Units in the Project for use by the Township and public or private emergency vehicles. Said easement shall be for purposes of ingress and egress to provide, without limitation, fire and police protection, ambulance and rescue services and other lawful governmental or private emergency services to the Project and Co-owners. This grant of easement shall in no way be construed as a dedication of any streets, roads or driveways to the public.

Section 10. Grant of Additional Easements by Association. The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the Transitional Control Date) shall be empowered and obligated to grant such easements, license, rights-of-entry and rights-of-way over, under, across and through the Project for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Project. Said power is subject, however, to the approval of the Developer during the Development and Sales Period.

Section 11. Modifications. No easements created under the Condominium Documents may be modified, or obligations with respect thereto varied, without the consent of each person benefited thereby.

Section 12. Easements are Appurtenant. The benefits and burdens of the easements hereby reserved, created or provided for shall be appurtenant to and run with the land.

ARTICLE VIII **AMENDMENTS**

Section 1. Amendment of Condominium Documents or Termination of Project by Developer. If the Developer owns all of the Units shown on the Condominium Subdivision Plan, then the Developer may Amend the Condominium Documents or, with the consent of any interested Mortgagee, terminate the Project.

Section 2. Amendment of Condominium Documents by Developer and Co-owners. If there is a Co-owner other than the Developer, the Condominium Documents may be amended for a proper purpose only as follows.

2.1 Unilateral Amendment by Developer. Up to one year following the conclusion of the Development and Sales Period, the Developer may amend the Condominium Documents without the consent of any Co-owners or Mortgagees if the Amendment does not materially alter the rights of any Co-owners or Mortgagees of Units in the Project, including Amendments to modify the types and sizes of unsold Condominium Units and their appurtenant Limited Common Elements, if any; Amendments to facilitate conventional mortgage loan financing



for existing or prospective Co-owners; and Amendments enabling the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, or any other agency of the federal government or the State of Michigan.

2.2 Co-owner Ratification. Even if an Amendment would materially alter the rights of any Co-owners or Mortgagees, it can be made if at least two-thirds of the Co-owners and Mortgagees consent. However, dimensions or Limited Common Elements of a Co-owner's Unit may not be modified without the Co-owner's consent, nor may the formula used to determine Percentages of Value for the Project or provisions relating to the ability or terms under which a Unit may be rented be modified without the consent of the Developer and each affected Co-owner and Mortgagee. Rights reserved to the Developer in this Master Deed, including rights to amend the Master Deed for purposes of expansion, contraction, conversion, or modification of Units in the course of construction, shall not be amended without written consent from the Developer as long as the Developer or its successors continue to own or to offer for sale any Unit in the Project. For the purpose of this provision, a Mortgagee shall have one vote for each first mortgage of record held.

2.3 Developer's Reservation of Right to Amend. The Developer may also make a material Amendment unilaterally without the consent of any Co-owner or Mortgagee for the specific purposes reserved to such Developer in this Master Deed. Until the completion and sale of all Units as described in **Article I**, such rights reserved may not be further amended except with written consent from the Developer or its successors or assigns.

2.4 Responsibility for Costs. A Person causing or requesting an Amendment to the Condominium Documents shall be responsible for the costs and expenses of the Amendment, except for Amendments based on a vote of the prescribed majority of Co-owners and Mortgagees or based on the advisory committee's decision, the costs of which are administration expenses. The Co-owners and Mortgagees of Record shall be notified of proposed Amendments under this provision at least 10 days before the Amendment is Recorded.

Section 3. Consent of Scio Township. Notwithstanding anything to the contrary contained in this Master Deed, any section of the Master Deed which confers any right or benefit to the Township shall not be amended or revoked without the specific approval of the Township. Without limitation, the following sections of the Master Deed may not be amended without the specific approval of the Township: Article IV, Sections 3.2, 4 and 8; Article V; Article VI, Sections 1 and 2; Article VIII, Sections 3, 6, 7, 8, 9, 10 and 12; and Article IX, Sections 1 and 3. Without limitation, the following sections of the Bylaws may not be amended without the specific approval of the Township: Article I, Section 1.1; Article II, Sections 2.17 and 2.19; and Article IX, Section 8. Whether or not Township approval is required, any amendment to the Master Deed shall be delivered to the Township within thirty (30) days of recording at the office of the Washtenaw County Register of Deeds.

Section 4. Consent of County Officials. The rights granted to the Washtenaw County Drain Commissioner, the Kirkway of Scio Drainage District, and their successors and assigns, under Article VII, Section 6.2 of this Master Deed may not be amended without the express written consent of the respective grantee. Any purported amendment or modification of the rights granted thereunder shall be void and without legal effect unless agreed to in writing by the grantee, its successors and assigns.

Section 5. Recordation of Amendments. All Amendments to the Master Deed or Condominium Bylaws shall be Recorded in the public records of Washtenaw County, Michigan.

Section 6. Effect of Improper Amendment. Any Amendment of any Condominium Document attempted in violation of this Article shall be void *ab initio*.

ARTICLE IX

TERMINATION OF PROJECT

Section 1. Termination of Project by Developer. If the Developer owns all of the Units shown on the Condominium Subdivision Plan, then the Developer may terminate the Project with the consent of the Township and any interested Mortgagee.

Section 2. Termination of Project by Developer and Co-owners. If there is a Co-owner other than Developer, the Project may only be terminated with the consent of the Developer and at least eighty (80) percent of the Co-owners and Mortgagees, as follows.

2.1 The agreement of the required number of Co-owners and Mortgagees to terminate the Project shall be evidenced by their signing of the termination agreement or ratification of it. The termination shall become effective only when notice of the agreement is Recorded.

2.2 On Recording an instrument terminating the Project, the Property constituting the Project shall be owned by the Co-owners as tenants in common in proportion to their undivided interests in the Common Elements immediately before Recordation. As long as the tenancy in common lasts, each Co-owner or the heirs, successors, or assigns shall have an exclusive right of occupancy of that portion of the Property that formerly constituted said Co-owner's Condominium Unit.

2.3 On Recording an instrument terminating the Project, any rights the Co-owners may have to the assets of the Association shall be in proportion to their undivided interests in the Common Elements immediately before Recordation, except that common profits shall be distributed in accordance with the Condominium Documents and the Michigan Condominium Act.

2.4 Notification of termination by first-class mail shall be made to all parties interested in the Project, including escrow agents, land contract vendors, creditors, lienholders, and prospective purchasers who have deposited funds. Proof of dissolution must be submitted to the administrator.

Section 3. Consent of Scio Township. Notwithstanding anything herein to the contrary, the Project shall not be terminated without the specific, written consent of Scio Township.

Section 4. Effect of Improper Termination. Any termination of the Project attempted in violation of this Article shall be void *ab initio*.



ARTICLE X

MISCELLANEOUS

Section 1. Term. The covenants, conditions and restrictions of this Master Deed shall run with and bind the Property and every portion thereof, and shall inure to the benefit of and be enforceable by the Association, Developer, Co-owners, Mortgagees, and their respective legal representatives, heirs, successors and assigns, in perpetuity unless otherwise stated herein.

Section 2. Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail, unless otherwise specified. If delivery is made by mail, it shall be deemed to have been delivered two (2) business days after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any Person at the address given by such Person to the Association for the purpose of service of such notice, or with respect to Co-owners, to the Residence of such Person if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association.

Section 3. Interpretation.

3.1 Restrictions Construed Together. All of the provisions of this Master Deed shall be liberally construed together to promote and effectuate the fundamental concepts of the Property as set forth in the Recitals to this Master Deed. Said Recitals are incorporated into this Master Deed. The Restrictions shall be construed and governed by the laws of the State of Michigan.

3.2 Restrictions Severable. Notwithstanding the provisions in **Section 3.1** of this Article, each of the provisions of this Master Deed shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

3.3 Captions. All captions and titles used in this Master Deed are intended solely for convenience of reference and shall not affect that which is set forth in any of the provisions hereof.

3.4 Time Periods. Except as otherwise expressly provided herein, any reference in this Master Deed to time for performance of obligations or to elapsed time shall mean consecutive calendar days, months, or years, as applicable.

Section 4. No Public Right of Dedication. Nothing contained in this Master Deed shall be deemed to be a gift or dedication of all or any part of the Property to the public, or for any public use. This section, however, shall not in any way affect the validity of easements and other rights granted to any governmental agencies by specific language in the condominium documents.

Section 5. Constructive Notice and Acceptance. Every Person who owns, occupies or acquires any right, title, estate or interest in or to any portion of the Property does and shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to this Master Deed is contained in the instrument by which such Person acquired an interest in the Property, or any portion thereof.

Section 6. No Representations or Warranties. No representations or warranties of any kind, express or implied, have been given or made by Developer or its agents or employees in connection with the Property or any portion of the Property, or any Improvement thereon, its physical conditions, zoning, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, except as specifically and expressly set forth in this Master Deed.

Section 7. Association Approval, Action or Consent. Any reference in this Master Deed to approval by the Association, and any provision requiring action by or the consent of the Association, shall be deemed to require such approval, action or consent of or by the Board of Directors of the Association, acting without a vote of the Members, unless this Master Deed expressly provides for or requires such approval, action or consent to be submitted to a vote of the Members of the Association.

Section 8. Assignment. The Developer may assign any or all of its rights or powers under the Condominium Documents or law, including all rights to grant consent and approval of any actions or requests, and all rights of approval under the Bylaws, to another Person or the Association by an appropriate written document duly Recorded in the office of the Washtenaw County Register of Deeds. Upon expiration of the Development and Sales Period, the Developer shall be deemed to have assigned all of its rights of approval and consent to the Association, and the Association shall be deemed to have unreservedly accepted such assignment.

Each of the above-stated reservations, covenants, easements, and restrictions shall run with the land from the effective date of this Master Deed. The effective date of this Master Deed shall be the date upon which the Developer has affixed its legal signature.

DEVELOPER:


CURTIS-A&M SCIO LLC

By: Angelo Evangelista

Its: Member

Dated: 01/06/2004

WITNESSES:

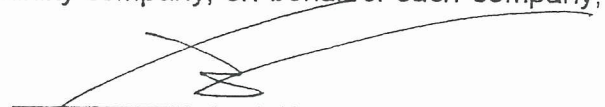

Scott D. MacDonald


MARK MENUCK
STATE OF MICHIGAN)
COUNTY OF OAKLAND) ss.

Subscribed, sworn to and acknowledged before me by Angelo Evangelista, Member of Curtis-A&M Scio LLC, a Michigan limited liability company, on behalf of such company, on this 6TH day of January, 2004.

[seal]

SCOTT DAVID MACDONALD
Notary Public, Oakland County, MI
My Commission Expires Aug 28, 2004


Scott D. MacDonald, Notary Public
Oakland County, Michigan
My commission expires 08/28/2004

CONDOMINIUM BYLAWS



Peggy M Haines, Washtenaw DMA

DMA

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Page: 25 of 68

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**EXHIBIT A
TO THE MASTER DEED**

**BYLAWS OF KIRKWAY OF SCIO CONDOMINIUM
IN SCIO TOWNSHIP, WASHTENAW COUNTY, MICHIGAN**

TABLE OF CONTENTS

ARTICLE I. The Condominium Project	1
Section 1. Organization	1
Section 2. Compliance	1
Section 3. Condominium Bylaws	1
ARTICLE II. Restrictions	1
Section 1. Building Restrictions	1
1.1 Residential Use	1
1.2 Architectural Control	2
1.3 Architectural Design Guidelines	2
1.4 Landscaping Guidelines	4
1.5 Architectural Approval Process	5
1.6 Construction Regulations	6
1.7 Reserved Right of Developer to Construct Improvements	7
1.8 Limitation on Liability	7
Section 2. Use Restrictions	7
2.1 Reserved Rights of Developer	7
2.2 Unit Maintenance	8
2.3 Lawn Maintenance	8
2.4 Landscaping	8
2.5 Seasonal Protection	8
2.6 Nuisances; Quiet Enjoyment	8
2.7 Activities	8
2.8 Pets	8
2.9 Vehicles and Trailers	9
2.10 Temporary Structures	9
2.11 Trash Disposal	9
2.12 Aesthetics	9
2.13 Walls and Fences	9
2.14 Antennae	9
2.15 Non-Disturbance of Wetlands	10
2.16 Preservation of Open Spaces	10
2.17 Leasing, Rental and Sale of Units	10
2.18 Rules of Conduct	11
2.19 Remedies on Breach	11



Section 3. Developer's Right to Waive or Amend Restrictions	12
Section 4. Laws and Ordinances.	12
ARTICLE III. Membership and Voting	12
Section 1. Membership	12
Section 2. Voting Rights	13
Section 3. Members Entitled to Vote	13
Section 4. Proxies	13
Section 5. Majority	13
ARTICLE IV. Meetings and Quorum	13
Section 1. Place of Meeting	13
Section 2. Initial Meeting of Members.....	13
Section 3. Annual Meeting of Members; Notice	14
Section 4. Special Meeting	14
Section 5. Notice of Meeting	14
Section 6. Advisory Committee	14
Section 7. Quorum of Members	14
Section 8. Order of Business	15
Section 9. Action Without Meeting	15
Section 10. Consent of Absentees	15
Section 11. Minutes; Presumption of Notice	15
ARTICLE V. Administration	15
Section 1. Board of Directors	15
Section 2. Election and Composition of the Board of Directors	16
Section 3. Powers and Duties	17
Section 4. Managing Agent; Contracts.....	18
Section 5. Vacancies	18

Section 6. Removal	18
Section 7. First Meeting	19
Section 8. Regular Meetings	19
Section 9. Special Meetings	19
Section 10. Waiver of Notice	19
Section 11. Quorum	19
Section 12. First Board of Directors	19
Section 13. Fidelity Bonds	20
ARTICLE VI. Officers	20
Section 1. Officers	20
Section 2. Election	20
Section 3. Removal	20
Section 4. Duties	21
ARTICLE VII. Indemnification	21
ARTICLE VIII. Finance	21
Section 1. Accounting Records	21
Section 2. Fiscal Year	21
Section 3. Bank	21
Section 4. Reserve Fund	21
ARTICLE IX. Assessments	22
Section 1. Administration Expenses and Receipts Defined	22
Section 2. Determination of Assessments	22
Section 3. Levy of Assessments	22
Section 4. Special Assessments	23
Section 5. Collection of Assessments.....	23

Section 6. Obligations of the Developer.....	23
Section 7. Exempt Property	24
Section 8. Township Assessments	24
ARTICLE X. Taxes, Insurance, Repairs and Eminent Domain.....	24
Section 1. Taxes.....	24
Section 2. Insurance.....	24
Section 3. Maintenance and Repair.....	26
Section 4. Reconstruction and Repair.....	26
Section 5. Eminent Domain.....	27
ARTICLE XI. Mortgages and Liens.....	28
Section 1. Mortgage of Condominium Units.....	28
Section 2. Construction Liens.....	29
ARTICLE XII. Arbitration.....	29
Section 1. Submission to Arbitration.....	29
Section 2. Disputes Involving the Developer.....	29
Section 3. Preservation of Rights.....	29
ARTICLE XIII. Miscellaneous Provisions.....	29
Section 1. Severability.....	29
Section 2. Notices.....	30
Section 3. Amendments.....	30

BYLAWS

KIRKWAY OF SCIO CONDOMINIUM

ARTICLE I THE CONDOMINIUM PROJECT

Section 1. Organization.

1.1 **General.** Kirkway of Scio Condominium, a residential site condominium project located in Scio Township, Washtenaw County, Michigan, is being constructed by **Curtis-A&M Scio LLC**, ("Developer") a Michigan limited liability company, to comprise up to forty-four (44) residential Units.

1.2 **Definitions.** The definitions provided in **Article III, Section 2** of the Master Deed apply in these Bylaws unless the context otherwise requires.

1.3 **Management.** Once the Master Deed is Recorded, the management, Maintenance, operation, and administration of the Project shall be vested in an Association of Co-owners organized as a nonprofit membership corporation under Michigan law.

Section 2. Compliance. All present and future Co-owners, Mortgagees, lessees, or other Persons who may use the facilities of the Project in any manner shall be subject to and comply with the Michigan Condominium Act, P.A. 1978, No. 59, as amended, being MCL 559.101 et seq., MSA 26.50(101) et seq. (the "Act"), the Master Deed and its amendments, the Articles of Nonprofit Incorporation, the Bylaws, and other Condominium Documents that pertain to the use and operation of the Project. The Association shall keep current copies of these documents and make them available for inspection at reasonable hours to Co-owners, prospective purchasers, and prospective Mortgagees of Units in the Project. If the Michigan Condominium Act conflicts with any Condominium Documents referred to in these Bylaws, the Act shall govern. A party's acceptance of a deed of conveyance or of a lease or occupancy of a Condominium Unit in the Project shall constitute an acceptance of the provisions of these Condominium Documents and an agreement to comply therewith.

Section 3. Condominium Bylaws. These Bylaws shall constitute both the Bylaws referred to in the Master Deed, and required by Section 3(8) of the Act, and the Bylaws provided for under Section 231 of the Michigan Nonprofit Corporation Act, P.A. 1982, No. 162, as amended, being MCL 450.2101 et seq.

ARTICLE II RESTRICTIONS

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

Section 1. Building Restrictions.

1.1 **Residential Use.** No Unit in the Condominium shall be used for other than single-family residential purposes and the Common Elements shall be used only for purposes consistent with single-family residential use. No building or structure of any kind shall

be erected within a Unit except one private Residence as shown on the approved site plan for the Unit.

1.2 Architectural Control. An architectural control process has been established to assure that Kirkway of Scio Condominium is developed in the highest quality manner consistent with the design goals for the community as described in this **Article II** in order to provide for the development and management of the Project as a premier residential community for the highest benefit and enjoyment of its residents. Kirkway of Scio Condominium was created as an exceptional setting for custom homes of architectural excellence amidst woodlands, meadows and challenging terrain. The Units have been carefully sculpted into the rolling topography of the site to preserve the natural assets for the permanent enjoyment of all. These Bylaws are designed to ensure that the Project is developed in the highest quality manner in harmony with the natural features and intended character for the community. They provide helpful guidance to future residents regarding the architectural design, landscape design and construction of their homes. Further, these Bylaws are established to ensure that the community is well maintained, that the value of each Unit is protected, and that the Project is a very enjoyable, peaceful place to live. No building, structure, landscaping or other improvement shall be erected, constructed, installed or permitted to remain on any Unit or elsewhere in the Project unless it has been approved in writing by the Association and, during the Development and Sales Period, the Developer, and also complies with the restrictions and requirements of the ordinances of the Township of Scio and the Condominium Documents. No alteration, modification, substitution or other variance from the designs, plans, specifications and other materials that have been approved by the Developer shall be permitted without the Developer's written approval of that variance, regardless of the reason for the variance. The Developer reserves the right to assign, delegate or otherwise transfer its rights and powers of approval to any other person, including the Association. The rules and restrictions in this **Article II** shall apply to all Units in the Project.

1.3 Architectural Design Guidelines. Architectural design goals for the Project are intended to promote harmony among the Residences themselves and with the natural features of the surrounding environment. Designs will be reviewed for their compatibility with the design goal for the community. Architectural uniqueness and excellence is strongly encouraged. The office of the Developer is available to assist the future Co-owners in the architectural and landscape design of the individual Residences. Co-owners are strongly encouraged to involve the Developer in the design process from the earliest stages to take advantage of its expertise and ensure a smooth process. The following guidelines have been established to assist the Co-owners and builders in the design of homes in Kirkway of Scio Condominium:

a. **Exterior Colors.** Exterior colors must be natural and subdued. Proposed exterior paint and stain colors shall be submitted to the Developer for approval prior to application.

b. **Architectural Consistency.** All exterior facades of the Residences in the Project which are visible from the road area are to be architecturally consistent in style, quality and detailing with the front facade of the Residence.

c. **Exterior Building Materials.** The majority of exterior walls of all Residences shall be brick, stone, wood or vinyl. Only brick, stone, wood or vinyl, or any combination, shall be permitted on the front elevation. Wood may consist of individual natural

board siding, Hardi-plank, or similar. Texture 1-11 and aluminum siding are prohibited. Window, door and house trim (including shutters) shall be wood, vinyl clad wood, or vinyl.

d. **Roof Material and Pitch.** Roof material shall be at least a 20-year three tab asphalt shingle. No single-level flat roofs shall be permitted on the main body of any Residence or other structure, except that flat roofs may be installed for Florida rooms, porches, or patios if they are architecturally compatible with the rest of the Residence. The roof shall have a minimum pitch of 7 on 12 (i.e., 7" rise for every 12" horizontal plane) or steeper.

e. **Minimum Size.** The minimum size of each Residence shall be 1,500 square feet.

f. **Setbacks.** All Residences shall be located within the perimeter of the Unit boundary for each site as shown on the Condominium Subdivision Plan, which is Exhibit B to the Master Deed, and in compliance with the Township's setback ordinances.

g. **Garages.** All garages shall be attached to the Residence, may be front or side entry, and be able to accommodate two or more vehicles. Garage doors shall be either panelized wood, panelized steel or panelized aluminum.

h. **Chimneys.** All Chimneys shall have flues lining their entire height which are enclosed by brick, stone or wood.

i. **Foundations.** All street and side facing exterior facades must have brick, stone, or wood extend to ground level to cover all block or concrete foundation walls, which must not be exposed at any area of a Residence. Foundation vents if used, shall be unobtrusive.

j. **Air Conditioners.** No window or wall-mounted air conditioners are permitted on the front façade. All exterior air conditioning equipment shall be located so as to minimize noise to adjacent Residences and shall be screened by landscaping so as to not be visible from the road or adjacent residences.

k. **Driveways, Sidewalks and Patios.** Driveways and sidewalks shall be constructed of asphalt paving, brick pavers, or concrete.

l. **Mailboxes.** A single mailbox design and layout will be specified by the Developer to maintain a consistent, aesthetically pleasing appearance throughout the community.

m. **Address Numerals.** It is recommended for safety that each home incorporate either an address block constructed of granite, limestone or similar material and containing the carved numerals of the address of the Residence or individual heavy brass numerals appropriately placed in the front exterior area of the Residence.

n. **Fences.** Fences shall be subject at all times to Township approval and (a) prior written approval of the Developer during the Development and Sales Period, or (b) prior written approval of the Association following the Development and Sales Period. Stockade fences are not permitted. Fencing may be allowed for air conditioner and other outside mechanical screening.



o. **Swimming Pools.** Only aesthetically pleasing pools are permitted, subject to the Developer's written approval. All pool areas shall be visually screened with landscaping and all mechanical equipment shall be concealed from view.

p. **Spas.** Free standing above-ground spas not integrated into in-ground swimming pools shall be unobtrusively located close to the rear of the Residence. Spas shall be visually screened from adjacent Units by landscaping or other manner approved by the Developer, and all mechanical equipment shall be fully concealed.

q. **Dog Kennels and Runs.** Dog kennels or runs shall be unobtrusively located close to the rear of the Residence and shall be visually screened from adjacent Units by landscaping or other manner approved by the Developer.

r. **Outdoor Playsets.** Outdoor play equipment shall be located in the rear of the yards of Residences so as not to be visible from the road, and shall not be obtrusive to adjacent Units. Equipment shall be primarily of wood construction; metal playsets are not permitted.

1.4 **Landscaping Guidelines.** Proper landscape design, installation and maintenance is very important in creating an enjoyable, beautiful environment. Good landscape design incorporates the natural attributes of the Unit in terms of topography and existing plantings, and then enhances those features to create an environment most appropriate for the architecture and setting of a particular Residence. Successful landscaping greatly increases the beauty and marketability of a Residence and improves the quality of life for the Co-owner as well as the entire community.

a. **Preservation of Trees.** Every effort must be made to preserve existing trees on a Unit, and to design the location of walks, drives, Residences and other improvements in a manner which limits the number of trees to be removed. Trees and flora located in the Project may be cleared and cut only as follows:

i. Except as set forth in 1.4(a)(ii) and 1.4(a)(iii) below, no trees on any Unit may be removed from the area of the Unit that is within 20 feet of the Unit boundary without the prior written consent of the Developer, so as to preserve an undisturbed 20 foot wide belt within the perimeter of the Unit, and no trees may be removed from any General Common Element without the prior consent of the Developer.

ii. The provisions of 1.4(a)(i), above, notwithstanding, trees and flora of all sizes may be cleared and removed from the area of a Unit within a 15 foot belt of the footprint of a Residence the location of which has been approved by the Developer in writing. Prior to any cutting or clearing on a Unit, both the approved footprint and 15 foot belt must be staked for approval of the clear-cut area by the Developer.

iii. The provisions of 1.4(a)(ii), above, notwithstanding, trees and flora of any size may be cleared from the area in which the paved surface of the driveway for a Unit will be constructed according to the plans approved by the Developer.

iv. Remaining trees shall be carefully protected during the construction process by erection of protective barriers to avoid physical damage and, in particular, compaction of the soil over the root systems. Excavations and fill near existing trees

shall only be done after appropriate measures are undertaken to ensure that the trees are preserved.

b. **Planting Material Sizes.** Planting materials are to be of a high quality and substantial size to provide a degree of maturity to the appearance of the landscaping immediately upon installation. Evergreen trees should be a minimum of six (6) feet in height, and canopy trees should have a minimum caliper of two (2) inches.

c. **Lawn Areas.** All areas of a Unit not landscaped with plant materials or hard surfaces or kept as natural wooded areas shall be established as lawn areas by sodding or seeding. Preservation of wooded rear yard areas in their natural condition is strongly encouraged.

d. **Edging and Mulching Materials.** The use of natural cut sod edging to define planting beds is strongly encouraged. Edging materials made of steel, aluminum or plastic may be used to define planting beds.

e. **Berms and Boulders.** The creation of landscaped berms, boulder outcroppings, raised beds and other creative landscape design is strongly encouraged.

f. **Irrigation.** Installation of an underground sprinkler system of each Unit is strongly encouraged.

g. **Landscape Screening.** All exterior air conditioning equipment, utility meters and utility boxes must be screened from view from the road and adjacent Residences. The garage doors of a Residence must be visually screened from view from the road to the greatest extent possible by placing evergreen landscape materials in strategic positions.

h. **Retaining Walls.** All retaining walls shall be of natural stone. Wooden tie, block and unilock type walls are permitted with prior written consent of the Developer.

i. **Landscape Lighting.** Subdued lighting which highlights landscaping features and architectural elements is strongly encouraged. Lighting shall be unobtrusive with careful attention given to both high quality lighting fixtures and the effects of the lighting itself.

j. **Completion of Landscaping.** Installation of landscaping prior to occupancy is strongly encouraged. The cost of landscaping can usually be included in the mortgage of the home. Landscape installation shall be completed, meaning finish-graded and suitably planted, within one hundred eighty (180) days after the exterior of the Residence has been substantially completed, weather permitting, including the area lying between the sidewalk and the road, except such portion thereof as is used for driveways and walks.

1.5 **Architectural Approval Process.** The design of all Residences, alterations, and additions is subject to the Architectural Approval Process as described below. It is the goal of the Developer to promote residential architecture of the highest caliber while preserving and enhancing the natural attributes of the Units to the greatest extent possible. The Developer will not unreasonably withhold approval of proposed Residences, alterations, and additions that meet or exceed the aesthetic goals and guidelines described in this Article II.



a. **Review Procedure.** A two-step submittal process is required for the construction of a Residence in Kirkway of Scio Condominium. Written approval from the Developer is required for each of the two steps, as follows:

i. **Conceptual Approval.** The Unit Co-owner is encouraged to involve the Developer in the design of the Residence at the earliest possible stages. Submittal of sketches, photographs or renderings are normally sufficient to determine if the proposed Residence will be within the design goals for the community.

ii. **Final Approval.** Three copies of the following materials shall be submitted to obtain final approval for a Residence in Kirkway of Scio Condominium: (a) A site plan prepared and sealed by a licensed land surveyor showing existing and proposed grades, an indication of which trees must be removed and a tree preservation plan for trees to be preserved all required setback lines, the location and foot print of the proposed Residence and all other Improvements, all driveways and paved areas, and (b) a complete set of construction plans for the proposed Residence. Upon approval, two signed copies of the plans and documents will be returned to the Co-owner who may then apply to the Township for a building permit.

1.6 **Construction Regulations.** The construction process in Kirkway of Scio Condominium is carefully controlled to minimize inconvenience and disruption to existing residents and to maintain the excellent image and reputation of all who are associated with this Project.

a. **Accountability.** The builder, landscaper and Co-owner shall be responsible for supervising adherence to the construction regulations contained within these Bylaws and all other applicable condominium documents.

b. **Cleanliness.** Throughout the course of construction, the job site shall be maintained in a clean and orderly manner. All trash and debris shall be promptly deposited in a dumpster located as unobtrusively as possible. Burning of trash and debris is prohibited. The road surface in the vicinity of the job site shall be kept clean of mud, trash and debris at all times. Violation of cleanliness regulations will result in fines to builders, landscapers and Co-owners.

c. **Construction Hours.** Construction hours are established by the Charter Township of Scio. The provisions of that Township ordinance shall control and are incorporated into these Bylaws as if fully set forth herein.

d. **Lot Clearing.** Absolutely no clearing of trees or brush shall be done until construction and landscaping plans have been approved in writing by the Developer, the setback lines and foundation of the proposed Residence have been staked by a licensed land surveyor in accordance with the site plan approved by the Developer, and the building permit has been issued by the Township. All trees marked for preservation on the site plan and landscaping plan must be protected with barriers to avoid compaction over the roots and physical damage thereto. Trees to be removed shall be marked for field inspection and approval obtained from the Developer prior to removal. Logs, stumps and brush shall be immediately removed from the job site.

e. **Construction Area.** All construction, including access by construction vehicles and equipment, shall be confined to the boundaries of the Unit under construction. Adjacent Units may not be used for parking, storage or access.

f. **Excavation.** Dirt excavated for basements that is temporarily stored on the Unit during foundation construction shall not be placed over the roots of trees intended to be preserved, in order to avoid soil compaction and root damage.

g. **Construction Materials.** Storage of construction materials on the building site shall be done in a neat and orderly manner.

h. **Signs.** The builder may erect one sign identifying the Unit number and builder's name during the construction of a Residence as specified by the Developer in terms of size, location, color and content which will contain the logo for the project.

i. **Schedule.** Once started, construction shall be prosecuted on a continual basis with completion as soon as practical but, in any event, within twenty-four (24) months of the date that a Co-owner purchases his Unit.

1.7 **Reserved Right of Developer to Construct Other Improvements.** The purpose of this section is to assure the continued Maintenance of the Property and the Project as a beautiful and harmonious residential development, and shall be binding upon the Association and upon all Co-owners. The Developer may construct any Improvements upon the Property that it may, in its sole discretion, elect to make, without the necessity of obtaining the prior written consent from the Association or any other private Person, subject only to approval of the local public authority and to the express limitations contained in any applicable Condominium Documents.

1.8 **Limitation on Liability.** In no event shall Developer or its designee have any liability whatsoever to anyone for their approval or disapproval of plans, drawings, specifications, elevations or the dwellings, fences, walls, or other structures subject thereto, whether such alleged liability is based on negligence, tort, express or implied contract, fiduciary duty or otherwise. By way of example but not limitation, there shall be no liability to the Developer or its designee for approval of plans, drawings, specifications, elevations or the Residences, fences, walls, or other structures which are not in conformity with the provisions of the Condominium Documents, or for disapproving plans, drawings, specifications, elevations or the Residences, fences, walls, or other structures which are arguably in conformity with the provisions hereof.

Section 2. Use Restrictions

2.1 **Reserved Rights of Developer.** None of the restrictions contained in this Section 2 shall apply to the commercial activities or signs or billboards, if any, of Developer during the Development and Sales Period, or of the Association, in furtherance of their powers and purposes set forth in the Condominium Documents, as applicable, as the same may be amended from time to time. Until all the Units in the Property have been sold by Developer and each Residence is occupied by the purchaser thereof, the Developer may maintain sales offices, model Residences, business offices, construction offices, trucks, construction equipment, storage areas, and customary signs to enable the development and sale of all Units and/or Residences within the Property. While a Unit is for sale by the Developer, the Developer and its

agents, employees, contractors, subcontractors, and their agents and employees may access any part of the Property as is reasonably required for the purpose of the sale.

2.2 Unit Maintenance. Prior to, during and after completion of residential construction, all Units throughout Kirkway of Scio Condominium shall be maintained in an aesthetically pleasing condition consistent with the character of site. The Co-owner shall be responsible for maintaining wooded or grassed areas in a clean, attractive state and dead or diseased trees or limbs shall be promptly removed. Each Co-owner shall maintain his or her Unit and all Improvements that it contains, including the Residence, landscaping, lawns, wall, drives, patios, decks, swimming pools, fences and the like in a first class and attractive condition so that an aesthetically pleasing appearance is presented to the community.

2.3 Lawn Maintenance. Lawns shall be kept neatly trimmed and free of weeds on a regular basis.

2.4 Landscaping. All shrubs, trees and other landscape materials shall be maintained in an orderly and healthy condition. Unhealthy or dead plantings shall be promptly replaced. Landscaped beds shall be maintained in an attractive condition with regular restoration of shredded bark or peat mulch to prevent weed growth, and beds shall be kept weed-free.

2.5 Seasonal Protection. Landscape materials are to be maintained in an attractive state throughout the year. Consequently, protection of plantings during the winter by wrapping with burlap or using plastic and polystyrene materials is prohibited because of the unsightly appearance created. Plants may be protected by application of an invisible anti-desiccant such as "Wilt-Pruf".

2.6 Nuisances; Quiet Enjoyment. No nuisances shall be permitted on the Property, nor shall any use or practice that is a source of annoyance to the Co-owners or that interferes with the peaceful possession or proper use of the Property by its Co-owners be permitted.

2.7 Activities. No improper, unlawful, noxious or offensive activity or use shall be made of the Property or any part of it, and nothing shall be done or kept on any Unit, on Common Elements or on Association property that would increase the insurance premiums for the Association without written consent from the Board of Directors. No Co-owner shall permit anything to be done or kept in a Residence, or on a Unit, Common Element or Association property that would result in the cancellation of insurance on any Residence, Common Elements or Association property, or that would violate any law. Activities deemed offensive and expressly prohibited include, but are not limited to, the following: Any activity involving the use of illegal fireworks, the unlawful discharge of firearms or other dangerous weapons, projectiles or devices, the burning of trash or leaves, or operation of flood or other unreasonably bright lights which are an annoyance to an adjacent resident.

2.8 Pets. No animals, other than household pets, shall be maintained by any Co-owner without written consent from the Association. The Association may revoke such consent at any time. Animals permitted by the Association shall be kept in compliance with the Rules and Regulations promulgated from time to time and must always be kept and restrained so they are not obnoxious because of noise, odor, or unsanitary conditions. All animals shall be properly licensed. No animal shall be permitted to run loose on any Common Elements. All animals shall at all times be leashed and attended by some responsible person while on the Common Elements. The



owner of each animal shall be responsible for cleaning up after it, including the collection and disposition of fecal matter. Any Co-owner who causes any animal to be brought or kept upon the Property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Property, whether or not the Association has given its permission therefor. An Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in these Bylaws in the event that the Association determines such assessment necessary to defray the Maintenance cost to the Association of accommodating animals within the Property or Project, as applicable. The Association may also, without liability to the owner, have any animal removed from the Property if it determines that the presence of the animal violates these Restrictions.

2.9 Vehicles and Trailers. The purpose of this section is to accommodate reasonable Co-owner parking but to avoid unsightly conditions which may detract from the appearance of the Condominium as a whole. No mobile home, van, camping vehicle, trailer, snowmobile, motorcycle, all terrain vehicle, boat or other vehicle, other than vehicles used primarily for general personal transportation purposes, may be parked temporarily upon the General Common Elements of the Property. All vehicles shall be parked in garages to the extent possible. Any extra vehicles shall be parked within Unit areas which have been approved for such purposes by the Developer during the Development and Sales Period, or by the Association following the Development and Sales Period, which approval shall not be unreasonably withheld. A Co-owner may be required to screen such supplemental parking areas. No inoperable vehicles of any kind may be brought or stored upon the Property either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the Property, unless making deliveries or pickups in the normal course of business. Co-owners shall, if the Developer or Association shall require, register with the Association all cars maintained on the Property. The Association may adopt reasonable Rules and Regulations in the implementation of this section.

2.10 Temporary Structures. No tent, shack, garage, accessory building, outbuilding or other temporary structure, shall be erected, occupied, or used on the Property without written consent from the Developer during the Development and Sales Period, or the Association following the Development and Sales Period. The Association property and Common Elements shall not be used to store supplies or personal property.

2.11 Trash Disposal. Trash and refuse shall be placed only in trash receptacles and in such a manner as the Association permits in its duly adopted Rules and Regulations.

2.12 Aesthetics. No Co-owner shall display, hang, or store any clothing, sheets, blankets, laundry, or other articles within a Unit and/or Residence in a way that is visible from the outside of the Unit, except for draperies, curtains, blinds, or shades of a customary type and appearance.

2.13 Walls and Fences. No walls or fences of any kind shall be erected or maintained on any Unit, the Association property, or Common Elements without the prior written approval of the Developer during the Development and Sales Period, or the Association following the Development and Sales Period.

2.14 Antennae. Exterior radio antennae, television aerials, satellite dishes or similar reception or transmission devices may be permitted, upon written approval from the Developer during the Development and Sales Period, or the Association following the Development and Sales Period, if the devices are small and unobtrusive to surrounding Units.



2.15 Non-Disturbance of Wetlands. Certain portions of the land within the Property may be wetlands protected by federal and state law. Under law, any disturbance of a wetland by depositing material in it, dredging or removing material from it, or draining water from the wetland may be done only after a permit has been obtained from the Michigan Department of Environmental Quality or its administrative successor. To assure that no inadvertent violations occur, no Co-owner may disturb the wetlands on the Property, including, without limitation, the clearing of trees, without obtaining: (a) written authorization from the Developer during the Development and Sales Period, or from the Association following the Development and Sales Period; (b) any necessary Township permits; and (c) any necessary state permits. Additionally, the construction of structures within areas designated as wetlands is prohibited.

2.16 Preservation of Open Spaces. The open spaces depicted on the Condominium Subdivision Plan shall be preserved without interference, Improvement, excavation, fill or other work which would in any way alter any portion of said open spaces from their natural state, except as necessary to allow the Association to Maintain the walkways located within said open spaces, without the specific written consent of the Township. Further, no rubbish, debris, trash, chemicals, fertilizers, petroleum distillates, or other substances of any kind shall be placed on or in the open spaces. If the open spaces are not preserved in accordance with this paragraph, no additional Certificates of Occupancy or additional building permits will be issued by the Township until the Township, in the good faith exercise of reasonable judgment, is satisfied that the open spaces have been returned to an aesthetically pleasing condition and is in compliance with applicable Township codes and ordinances.

2.17 Leasing, Rental and Sale of Units.

a. **Right to Lease.** A Co-owner may lease or sell his Unit for the same purposes set forth in **Section 1, Paragraph 1.1** of this **Article II** subject to the provisions of this **Section 2.16**. No Co-owner shall lease less than an entire Unit in the Condominium. No tenant shall be permitted to occupy except under a lease having an initial term of at least six months unless approved in writing by the Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer may lease any number of Units in the Condominium in its sole discretion.

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

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

ii. Tenants and non-owner occupants shall comply with all of the conditions of the Condominium Documents and all leases and rental agreements shall state such requirement.

iii. If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Condominium Documents, then:



Peggy M Haines, Washtenaw DMA

5517977

Page: 39 of 68
01/06/2004 12:55P

L-4351 P-767

Kirkway of Scio
Condominium

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

(2) The Co-owner shall have 15 days after receipt of the notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

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

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

c. **Notification of Sale.** A Co-owner intending to make a sale of his Unit shall notify the Association in writing at least 21 days before the closing date of the sale and shall furnish the name and address of the intended purchaser and other information reasonably required by the Association. The purpose of this section is to enable the Association to be aware at all times of the identities of all persons owning or occupying a Unit and to facilitate communication with them regarding the rights, obligations and responsibilities under the Condominium Documents. Under no circumstances shall this provision be used for purposes of discrimination against any owner, occupant or prospective owner on the basis of race, color, creed, national origin, sex or other basis prohibited by law.

2.18 Rules of Conduct. Developer and/or the Association may promulgate and amend reasonable Rules and Regulations, consistent with the provisions of this Declaration, concerning the use of Units, Residences, Common Elements, and Association property within the Project. In such event, the Developer or the Board of the Association shall furnish copies of such Rules and Regulations to each Co-owner at least 10 days before they become effective. Such Rules and Regulations may be revoked at any time by the affirmative vote of more than 60 percent of all Co-owners within the burdened Project, in number and in value. The Rules and Regulations adopted by the Association and, during the Development and Sales Period, the Developer, as amended from time to time, are hereby made a part of these Bylaws as if fully set forth in these Bylaws, and may be enforced by the Developer and the Association as if a part of the Bylaws.

2.19 Remedies on Breach. A Co-owner's default under the Restrictions shall entitle the Association to the following relief:

a. In the absence of a written agreement to arbitrate, a dispute or question whether a violation of any specific regulation or restriction in this Section 2 has occurred shall be submitted to the Board of Directors of the Association, which shall conduct a



Peggy M Haines, Washtenaw

DMA

5517977

Page: 40 of 68
01/06/2004 12:55P
L-4351 P-767

Kirkway of Scio
Condominium

hearing and render a written decision. The Board's decision shall bind all Co-owners and other parties that have an interest in the Property.

b. Failure to comply with any restriction on use and occupancy in these Bylaws shall be grounds for relief, which may include an action to recover sums due for damages, injunctive relief, the foreclosure of a lien, or any other remedy that the Board of Directors determines is appropriate, including the discontinuance of services on seven days' notice, the levying of fines against the culpable Co-owners after notice and hearing, and the imposition of late charges for the nonpayment of assessments. All such remedies shall be cumulative and shall not preclude any other remedies.

c. In a court proceeding arising because of an alleged default by a Co-owner, if the Association is successful, it may recover the cost of the proceeding and actual attorney fees as the court may determine.

d. The failure of the Association to enforce any provision of the Condominium Documents shall not constitute a waiver of the right of the Association to enforce the provision in the future.

e. An aggrieved Co-owner may compel the enforcement of the terms and provisions of this Condominium Documents by an action for injunctive relief or damages against an Association, its officers, or another Co-owner in the project.

Section 3. Developer's Right to Waive or Amend Restrictions. Notwithstanding anything in these Bylaws to the contrary, the Developer reserves the right to waive any restriction or requirement, if in the Developer's sole discretion it is appropriate in order to maintain the atmosphere, architectural harmony, appearance and value of the Condominium and the Units, or to relieve the Owner of a Unit or contractor from an undue hardship or expense. The approval of any site plan, landscaping plan or construction plan by the Developer or the Association and the waiver of any restriction by the Developer or the Association in connection with the approval of any site plan, landscape plan or construction plan shall not be deemed to be a warranty, representation or covenant by the Developer or the Association that the plan complies with any law, ordinances, environmental laws and ordinances and sanitation or environmental health laws, ordinances and regulations.

Section 4. Laws and Ordinances. In addition to the building and use restrictions recited above, the Units in the Condominium shall be held, used and enjoyed subject to all applicable statutes, ordinances and governmental regulations, including, by way of example and not limitation, the Scio Township Zoning Ordinance. THE OWNER OF EACH UNIT SHALL BEAR ALL RESPONSIBILITY FOR COMPLIANCE WITH ALL SUCH LAWS AND ORDINANCES.

ARTICLE III **MEMBERSHIP AND VOTING**

Section 1. Membership. Each present and future Co-owner of a Unit in the Project shall be a Member of the Association, and no other Person or entity shall be entitled to Membership. The share of a Member in the funds and assets of the Association may be assigned, pledged, or transferred only as an appurtenance to the Member's Condominium Unit.



Section 2. Voting Rights. Except as limited in the Master Deed and in these Bylaws, each Co-owner shall be entitled to one vote for each Unit owned when voting by number and one vote, the value of which shall equal the total of the percentages assigned to the Units owned by the Co-owner as stated in the Master Deed, when voting by value. Voting shall be by number, except when voting is specifically required to be both by value and by number, and no cumulation of votes shall be permitted.

Section 3. Members Entitled to Vote

3.1 No Co-owner, other than the Developer, may vote at a meeting of the Association until the Co-owner presents written evidence of the ownership of a Condominium Unit in the Project. The Developer may vote only for those Units to which it holds title and for which it is paying the full monthly assessment in effect when the vote is cast.

3.2 The Person entitled to cast the vote for the Unit and to receive all notices and other communications from the Association may be designated by a certificate signed by all the Record Co-owners of the Unit and filed with the Secretary of the Association. Such a certificate shall state the name and address of the designated individual, the number of Units owned, and the name and address of the party who is the legal Co-owner. All certificates shall be valid until revoked, until superseded by a subsequent certificate, or until the ownership of the Unit concerned changes.

Section 4. Proxies. Votes may be cast in person or by proxy. Proxies may be made by any Person entitled to vote. They shall be valid only for the particular meeting designated and for any adjournment of that meeting and must be filed with the Association before the appointed time of the meeting.

Section 5. Majority. At any meeting of Members at which a quorum is present, 51 percent of the Co-owners entitled to vote and present in Person or by proxy, in accordance with the percentages allocated to each Condominium Unit in the Master Deed for the Project, shall constitute a majority for the approval of the matters presented to the meeting, except as otherwise required in these Bylaws, in the Master Deed, or by law.

ARTICLE IV MEETINGS AND QUORUM

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

Section 2. Initial Meeting of Members. The First Annual Meeting of Members of the Association may be convened only by the Developer and may be called at any time after more than 50% of the Units that may be created in the Project have been conveyed to non-Developer Co-owners and the purchasers thereof qualified as Members of the Association. In no event, however, shall such meeting be called later than 120 days after the conveyance of legal or equitable title to non-Developer Co-owners of 75 percent of the Units that may be created or within 54 months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a

Unit in the Project, whichever occurs first. At the initial meeting, the eligible Co-owners may vote for the election of directors of the Association, subject to the limitations contained in **Article IV, Sections 1 and 2**. The Developer may call meetings of Members of the Association for informational or other appropriate purposes before the initial meeting, but no such informational meeting shall be construed as the initial meeting of Members. The date, time and place of such meeting shall be set by the Association, and at least 10 days' written notice thereof shall be given to each Co-owner. The phrase "Units that may be created" as used in this paragraph and elsewhere in the Condominium Documents refers to the maximum number of Units which the Developer is permitted under the Condominium Documents to include in the Project.

Section 3. Annual Meeting of Members; Notice. After the initial meeting, an annual meeting of the Members shall be held every twelve (12) calendar months at the time and place specified by the Association. At least 10 days before an annual meeting, written notice of the time, place, and purpose of the meeting shall be mailed to each Member entitled to vote at the meeting. At least 20 days' written notice shall be provided to each Member of any proposed Amendment to these Bylaws or to other Condominium Documents.

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

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

Section 6. Advisory Committee. Not later than 120 days after the conveyance of legal or equitable title to non-Developer Co-owners of one-third of the Units that may be created or one year after the initial conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, whichever occurs first, the Developer shall select three non-Developer Co-owners to serve as an "Advisory Committee" to the Board of Directors. The purpose of the Advisory Committee shall be to facilitate communication between the Board of Directors and the non-Developer Co-owners and to aid in the ultimate transfer of control to the Association. The members of the Advisory Committee shall serve for one year or until their successors are selected, and the Advisory Committee shall automatically cease to exist on the Transitional Control Date. The Board of Directors and the Advisory Committee shall meet with each other when the Advisory Committee requests. However, there shall not be more than two such meetings each year unless both parties agree.

Section 7. Quorum of Members. The presence in Person or by proxy of 30 percent of the Co-owners entitled to vote shall constitute a quorum of Members. The written vote of any Person furnished at or before any meeting at which the 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 on which the vote is cast. If any meeting of Co-owners cannot be held because a quorum is not

in attendance, the Co-owners who are present may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

Section 8. Order of Business. The order of business at all meetings of the Members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of inspectors of election (at annual meetings or special meetings held for the purpose of electing directors or officers); (g) election of directors (at annual meetings 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 9. 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** of this Article for the giving of notice of meetings of Members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the Member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

Section 10. 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 11. Minutes; Presumption of Notice. Minutes or a similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE V **ADMINISTRATION**

Section 1. Board of Directors.

1.1 The business, property, and affairs of the Association shall initially be managed and administered by a Board of three (3) directors to be elected in the manner stated in **Section 2** of this Article. The Board shall continue to be so comprised until enlarged to five (5)



members in accordance with the provisions of **Section 2** hereof. The directors shall serve until their successors have been elected and qualified at the initial meeting of Members. All actions of the first Board of Directors of the Association or any successors elected by the Developer before the initial meeting of Members shall be binding on the Association as though the actions had been authorized by a Board of Directors elected by the Members of the Association at the initial meeting or at any subsequent meeting, as long as the actions are within the scope of the powers and duties that may be exercised by a Board of Directors as provided in the Condominium Documents. The Board of Directors may void any service contract or management contract between the Association and the Developer or affiliates of such Developer on the Transitional Control Date, within 90 days after the Transitional Control Date, or on 30 days' notice at any time after that for cause.

1.2 All directors must be Members of the Association or officers, partners, trustees, employees or agents of Members of the Association, except for the first Board of Directors. Directors shall serve without compensation.

Section 2. Election and Composition of the Board of Directors.

2.1 **First Board of Directors.** The first Board of Directors as selected by the Developer shall manage the affairs of the Association until the appointment of the first non-Developer director to the Board. Immediately prior to the appointment of the first non-Developer Co-owner to the Board, the Board shall be increased in size from three persons to five persons. Thereafter, elections for non-Developer Co-owner directors shall be held as provided in **Subsections 2.2 and 2.3** below.

2.2 **Appointment of Non-Developer Directors Prior to First Annual Meeting.** Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 25% in number of the Units that may be created, one of the five directors shall be elected by non-Developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 50% in number of the Units that may be created, two of the five directors shall be elected by non-Developer Co-owners. When the required percentage of conveyances have been reached, the Developer shall notify the non-Developer Co-owners and convene a meeting so that the Co-owners can elect the required director or directors, as the case may be. Upon certification by the Co-owners to the Developer of the director or directors so elected, the Developer shall then immediately appoint such director or directors to the Board to serve until the First Annual Meeting of members unless he is removed pursuant to **Section 6** of this Article or he resigns or becomes incapacitated.

2.3 Election of Directors at and After First Annual Meeting.

(a) Not later than 120 days after the conveyance of legal or equitable title to non-Developer Co-owners of 75 percent of the Units that may be created, the non-Developer Co-owners shall elect all directors on the Board except that the Developer shall have the right to designate at least one director as long as the Developer owns or offers for sale at least 10 percent of the Units in the Project or as long as 10 percent of the Units that may be created remain unbuilt. The Developer's designee shall be one of the total number of directors referred to in **Section 1** of this Article and shall serve a one-year term pursuant to Subsection (d) below. Whenever the 75% conveyance level is achieved, a meeting of Co-owners shall be promptly convened to effectuate this provision, even if the first annual meeting has already occurred.

(b) Notwithstanding the formula provided above, 54 months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project.

if title to at least 75 percent of the Units that may be created has not been conveyed, the non-Developer Co-owners may elect the number of directors equal to the percentage of Units they hold, and the Developer may elect the number of directors equal to the percentage of Units that it owns and pays assessments for. This election may increase but not reduce the minimum election and designation rights otherwise established in **Subsection 2.3(a)**. The application of this subsection does not require a change in the size of the Board as stated in these Bylaws.

(c) If the calculation of the percentage of directors that the non-Developer Co-owners may elect under **Subsection 2.3(b)**, or if the product of the number of directors multiplied by the percentage of Units held by the non-Developer Co-owners under **Subsection 2.2** results in a right of non-Developer Co-owners to elect a fractional number of directors, a fractional election right of 0.5 or more shall be rounded up to the nearest whole number, which shall be the number of directors that the non-Developer Co-owners may elect. After applying this formula, the Developer may elect the remaining directors. The application of this provision shall not eliminate the right of the Developer to designate at least one director, as provided in this **Section 2**.

(d) At the first annual meeting three directors shall be elected for a term of two years and two directors shall be elected for a term of one year. At such meeting all nominees shall stand for election as one slate and the three persons receiving the highest number of votes shall be elected for a term of two year and the two persons receiving the next highest number of votes shall be elected for a term of one year. At each annual meeting held thereafter, either two or three directors shall be elected depending upon the number of directors whose terms expire. After the first annual meeting, the term of office (except for two of the directors elected at the first annual meeting) of each director shall be two years. The directors shall hold office until their successors have been elected and hold their first meeting.

(e) Once the Co-owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Co-owners to elect directors, and conduct other business shall be held in accordance with the provisions of **Article IV**.

Section 3. Powers and Duties. The Board shall have all powers and duties necessary to administer the affairs of the Association and may do all acts and things that are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners. Any action required by the Condominium Documents to be done by the Association shall be performed by action of the Board of Directors unless specifically required to be done by, or with the approval of, the Co-owners. The powers and duties to be exercised by the Board shall include the following:

- 3.1 Maintaining the Common Elements;
- 3.2 developing an annual budget and determining, assessing, and collecting amounts required for the operation and other affairs of the Condominium Project;
- 3.3 employing and dismissing personnel as necessary for the efficient management and operation of the Property;
- 3.4 adopting and amending Rules and Regulations for the use of the Property;
- 3.5 opening bank accounts, borrowing money, and issuing evidences of indebtedness to further the purposes of the Project and designating required signatories therefor;



3.6 obtaining insurance for Property, the premiums of which shall be an administration expense;

3.7 leasing or purchasing premises suitable for use by a managing agent or custodial personnel, on terms approved by the Board;

3.8 granting concessions and licenses for the use of parts of the Common Elements for purposes not inconsistent with the Michigan Condominium Act or the Condominium Documents;

3.9 authorizing the signing of contracts, deeds of conveyance, easements, and rights-of-way affecting any real or personal property of the Project on behalf of the Co-owners;

3.10 Maintaining, making repairs, additions, Improvements, and alterations to the Property and repairing and restoring the Property in accordance with the other provisions of these Bylaws after damage or destruction by fire or other casualties or condemnation or eminent domain proceedings;

3.11 asserting, defending, or settling claims on behalf of all Co-owners in connection with the Common Elements of the Project and, on written notice to all Co-owners, instituting actions on behalf of and against the Co-owners in the name of the Association; and

3.12 other duties as imposed by resolutions of the Members of the Association or as stated in the Condominium Documents.

Section 4. Managing Agent; Contracts. The Board may employ for the Association a management company or managing agent at a compensation rate established by the Board to perform duties and services authorized by the Board, including the powers and duties listed in **Section 3** of this Article. The Developer or any Person or entity related to it may serve as managing agent if the Board appoints the party. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than three years, which is not terminable by the Association upon 90-day written notice thereof to the other party, or which provides for a termination fee and no such contract shall violate the provisions of Section 55 of the Act.

Section 5. 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 Co-owner elected directors which occur prior to the Transitional Control Date may be filled only through election by non-developer Co-owners and shall be filled in the manner specified in **Section 2.2** of this Article.

Section 6. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the directors may be removed with or without cause by the affirmative vote of more than 50% of all of the Co-

owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal 30% requirement set forth in **Article IV, Section 7**. Any director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the directors selected by it at any time or from time to time in its sole discretion. Likewise, any director selected by the non-developer Co-owners to serve before the first annual meeting may be removed before the first annual meeting in the same manner set forth in this paragraph for removal of directors generally.

Section 7. First Meeting. The first meeting of a newly elected Board of Directors shall be held within ten days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole board shall be present.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director personally, by mail, telephone or telegraph, at least ten days prior to the date named for such meeting.

Section 9. Special Meetings. Special Meetings of the Board of Directors may be called by the President on three-day notice to each director given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two directors.

Section 10. 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 meeting 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 11. 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 24-hour prior written notice delivered to all directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such director for purposes of determining a quorum.

Section 12. First Board of Directors. The actions of the first Board of Directors of the Association or any successors thereto selected or elected before the Transitional Control Date shall be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board of Directors as provided in the Condominium Documents.

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

ARTICLE VI **OFFICERS**

Section 1. Officers. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, a Secretary and a Treasurer. The directors may appoint an assistant Treasurer, and an assistant Secretary, and such other officers as in their judgment may be necessary. Any two offices except that of President and Vice President may be held by one person. Officers may be compensated, but only on the affirmative vote of more than 60 percent of all Co-owners, in number and in value.

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

1.2 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.

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

1.4 Treasurer. The Treasurer shall have responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. 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 VII

INDEMNIFICATION

All directors and officers of the Association shall be entitled to indemnification against costs and expenses incurred as a result of actions (other than willful or wanton misconduct or gross negligence) taken or failed to be taken on behalf of the Association on 10 days' notice to all Co-owners, in the manner and to the extent provided by the Association Bylaws. If no judicial determination of indemnification has been made, an opinion of independent counsel on the propriety of indemnification shall be obtained if a majority of Co-owners vote to procure such an opinion.

ARTICLE VIII

FINANCE

Section 1. Accounting Records. The Association shall keep detailed records of the expenditures and receipts affecting the administration of the Project. These records shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and its Co-owners. These records shall be open for inspection by the Co-owners during reasonable working hours at a place to be designated by the Association. The Association shall prepare a financial statement from these records and distribute it to all Co-owners at least once a year. The Association shall define the contents of the annual financial statement. Qualified independent auditors (who need not be certified public accountants) shall review the records annually and audit them every fifth year. The cost of these reviews and audits shall be an administration expense. Audits need not be certified.

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

Section 3. Bank. Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Board of Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Association 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.

Section 4. Reserve Fund. The Association shall maintain a reserve fund, to be used only for major repairs and replacement of the Common Elements, as required by MCLA 559.205, MSA 26.50(205). The fund shall be established in the minimum amount stated in these Bylaws on or before the Transitional Control Date and shall, to the extent possible, be maintained at a level that is equal to or greater than 10 percent of the current annual budget of the Association. The minimum reserve standard required by this provision may prove to be inadequate, and the Board

shall carefully analyze the Project from time to time to determine whether a greater amount should be set aside or if additional reserve funds shall be established for other purposes.

ARTICLE IX

ASSESSMENTS

Section 1. Administration Expenses and Receipts Defined. The Association shall be assessed as the entity in possession of any tangible personal property of the Project owned or possessed in common by the Co-owners. Personal property taxes based on such assessments shall be treated as administration expenses. All costs incurred by the Association for any liability connected with the Common Elements or the administration of the Project shall be administration expenses. All sums received pursuant to any policy of insurance securing the interests of the Co-owners against liabilities or losses connected with the Common Elements or the administration of the Project shall be administration receipts.

Section 2. Determination of Assessments.

2.1 From time to time and at least annually, the Board shall adopt a budget for the Project that shall include the estimated funds required to defray common expenses for which the Association is responsible for the next year, including a reasonable allowance for contingencies and reserves and shall allocate and assess these common charges against all Co-owners according to their respective common interests on a monthly basis. In the absence of Co-owner approval as provided in these Bylaws, such assessments shall be increased only if one of the following conditions is met:

(a) The Board finds the budget as originally adopted is insufficient to pay the costs of operating and maintaining the Common Elements.

(b) It is necessary to provide for the Maintenance, repair or replacement of existing Common Elements.

(c) An emergency or unforeseen development necessitates the increase.

2.2 Any increase in assessments other than under these conditions, including assessments to purchase or lease a Unit for the use of a resident manager, shall be considered a special assessment requiring approval by a vote of 60 percent or more of the Co-owners, in number and in value.

Section 3. Levy of Assessments. All assessments levied against the Units to cover administration expenses shall be apportioned among and paid by the Co-owners equally, in advance and without any increase or decrease in any rights to use Limited Common Elements. The common expenses shall include expenses the Board deems proper to operate and maintain the condominium Property under the powers and duties delegated to it under these Bylaws and may include amounts to be set aside for working capital for the condominium, for a general operating reserve, and for a reserve to replace any deficit in the common expenses for any prior year. Any reserves established by the Board before the initial meeting of Members shall be subject to approval by the Members at the initial meeting. The Board shall advise each Co-owner in writing of the amount of common charges payable by the Co-owner and shall furnish copies of each budget on which such common charges are based to all Co-owners.

Section 4. Special Assessments. The Association shall levy a Special Assessment against any Co-owner who fails to comply with the provisions of the Condominium Documents or any Rule or Regulation adopted by the Association, if such failure results in the expenditure of monies by the Association in carrying out its functions hereunder, or for the purposes of collecting any fines which may be levied by such Association as a reasonable fine or penalty for noncompliance with the Condominium Documents or any Rule or Regulation adopted by the Association.

Section 5. Collection of Assessments.

5.1 Each Co-owner shall be obligated to pay all assessments levied on the Co-owner's Unit while the Co-owner owns the Unit. No Co-owner may be exempted from liability for the Co-owner's contribution toward the administration expenses by a waiver of the use or enjoyment of any of the Common Elements or by the abandonment of the Co-owner's Unit. If any Co-owner defaults in paying the assessed charges, the Board may impose reasonable fines or charge interest at the legal rate on the assessment from the date it is due. Unpaid assessments shall constitute a lien on the Unit that has priority over all other liens except state or federal tax liens and sums unpaid on a first mortgage Recorded before any notice of lien by the Association. The Association may enforce the collection of a lien by a suit at law for a money judgment or by foreclosure of the liens, securing payment as provided in MCLA 559.208, MSA 26.50(208). In a foreclosure action, a receiver may be appointed and reasonable rent for the Unit may be collected from the Co-owner or anyone claiming possession under the Co-owner. All expenses incurred in collection, including interest, costs, and actual attorney fees, and any advances for taxes or other liens paid by the Association to protect its lien shall be chargeable to the Co-owner in default.

5.2 On the sale or conveyance of a Condominium Unit, all unpaid assessments against the Unit shall be paid out of the sale price by the purchaser in preference over any other assessments or charges except as otherwise provided by the Condominium Documents or by the Michigan Condominium Act. A purchaser or grantee shall be entitled to a written statement from the Association stating the amount of unpaid assessments against the seller or grantor. Such a purchaser or grantee shall not be liable for liens for any unpaid assessments against the seller or grantor in excess of the amount in the written statement; neither shall the Unit conveyed or granted be subject to any such liens. Unless the purchaser or grantee requests a written statement from the Association at least five days before a sale, as provided in the Michigan Condominium Act, the purchaser or grantee shall be liable for any unpaid assessments against the Unit, together with interest, costs, and attorney fees incurred in the collection of unpaid assessments.

5.3 The Association may also enter the Common Elements, limited or general, to remove or abate any condition or may discontinue the furnishing of any services to a Co-owner in default under any of the Condominium Documents on seven days' written notice to the Co-owner. A Co-owner in default may not vote at any meeting of the Association as long as the default continues.

Section 6. Obligations of the Developer. Once the regular monthly assessments paid by Co-owners other than the Developer are sufficient to support the total costs of administration (excluding reserves), the Developer shall be assessed by the Association for actual costs, if any, incurred by the Association that are directly attributable to the Units being constructed by the Developer, together with a reasonable share of the costs of administration that indirectly benefit the Developer (other than costs attributable to the maintenance of dwellings), such as legal fees.

accounting fees, and maintenance of the landscaping, drives, and walks. If a Unit owned by the Developer is leased or otherwise permanently occupied by a Person holding under or through the Developer, the Developer shall pay all regular monthly assessments for the Unit. In no event shall the Developer be responsible for the cost of capital Improvements or additions, by special assessment or otherwise, except for occupied Units owned by it.

Section 7. Exempt Property. The following Property shall be exempt from the assessments herein: (a) those portions of the Property dedicated in fee and accepted by a public body, agency or authority; (b) the Property owned in fee by the Association; (c) all Common Elements owned in fee by the Association; and (d) those portions of the Property designated as open space on a Recorded subdivision map.

Section 8. Township Assessments. This Article does not apply to assessments levied by Scio Township in accordance with applicable provisions of the condominium documents.

ARTICLE X TAXES, INSURANCE, REPAIRS AND EMINENT DOMAIN

Section 1. Taxes.

1.1 After the year when the construction of the Residence on a Unit is completed, all special assessments and property taxes shall be assessed against the individual Unit and not against the total property of the Project or any part of it. In the initial year in which a Residence on a Unit is completed, the taxes and special assessments that become a lien against the Property of the condominium shall be administration expenses and shall be assessed against the Units according to their percentages of value. Special assessments and property taxes in any year when the Property existed as an established Project on the tax day shall be assessed against the individual Units, notwithstanding any subsequent vacation of the Project.

1.2 Assessments for subsequent real property Improvements to a specific Unit shall be assessed to that Unit only. Each Unit shall be treated as a separate, single Unit of real property for the purpose of property taxes and special assessments and shall not be combined with any other Units. No assessment of a fraction of any Unit or a combination of any Unit with other Units or fractions of Units shall be made, nor shall any division or split of an assessment or tax on a single Unit be made, notwithstanding separate or common ownership of the Unit.

Section 2. Insurance. The Association shall be appointed as attorney-in-fact for each Co-owner to act in connection with insurance matters and shall be required to obtain and maintain, to the extent available and applicable, fire insurance with extended coverage; vandalism and malicious mischief endorsements; and liability insurance and worker compensation insurance pertinent to the ownership, use, and maintenance of the Common Elements to the Project. Such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

2.1 All such insurance shall be purchased by the Board of Directors for the benefit of the Association, the Co-owners, their Mortgagees, and the Developer, according to their interests. Each Co-owner shall be responsible for obtaining insurance coverage at the Co-owner's

expense for the interior of the Co-owner's Unit and any Residence or Improvement thereon. Each Co-owner is responsible for obtaining insurance for the personal property located within the Co-owner's Unit or elsewhere in the condominium, for personal liability for occurrences within the Co-owner's Unit or on Limited Common Elements appurtenant to the Unit, and for expenses to cover alternate living arrangements if a casualty causes temporary loss of the Unit. The Association shall have no responsibility for obtaining such insurance. The Association and all Co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-owner shall contain appropriate provisions for the insurer to waive its right of subrogation regarding any claims against any Co-owner or the Association.

2.2 Notwithstanding anything herein to the contrary, the Association shall procure and maintain comprehensive commercial and general liability insurance on an occurrence basis with limits of liability not less than One Million Dollars (\$1,000,000) per occurrence and/or aggregate, combined single limit personal injury, bodily injury and property damage. The insurance requirements shall not be adjusted unless the City consents in writing.

2.3 The commercial general liability insurance described above shall include an endorsement stating that Scio Township and the Developer shall be additional insureds.

2.4 The commercial and general liability insurance as described above shall include an endorsement stating that thirty (30) days advance written notice of cancellation, nonrenewal and/or material change shall be sent to Scio Township and the Developer.

2.5 All Common Elements of the Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value, excluding land, landscaping, blacktopping, foundation, and excavation costs, as determined annually by the Board of Directors of the Association. Any Improvements made by a Co-owner within the boundaries of a Unit shall be covered by insurance obtained at the expense of the Co-owner. If the Association elects to include owner Improvements under its insurance coverage, any additional premium cost to the Association attributable to the coverage shall be assessed to the Co-owner and collected as a part of the assessments against the Co-owner as provided in these Bylaws.

2.6 If required, the Association shall maintain adequate fidelity coverage to protect against dishonest acts by its officers, directors, trustees, and employees and all others who are responsible for handling the Association's funds. Such fidelity bonds shall meet the following requirements:

(a) The Association shall be named as an obligee.

(b) The policy shall be written in whatever amount any lending institution or other agency requesting the policy requires, according to the estimated annual operating expenses of the Condominium Project, including reserves.

(c) The policy shall contain waivers of any defense based on the exclusion of Persons who serve without compensation from any definition of *employee* or similar terms.

(d) The policy shall provide that it may not be canceled or substantially modified, including for nonpayment of premiums, without at least 30 days' written notice.

2.7 The Board of Directors is irrevocably appointed the agent for each Co-owner, each Mortgagee, other named insureds and their beneficiaries, and any other holders of liens or other interests in the condominium or the Property, to adjust and settle all claims arising under insurance policies purchased by the Board and to sign and deliver releases once claims are paid.

2.8 Except as otherwise set forth in these Bylaws, all premiums on insurance purchased by the Association pursuant to these Bylaws shall be administration expenses.

Section 3. Maintenance and Repair.

3.1 Co-owners must Maintain and repair their Condominium Units, except General Common Elements in their Units. Any Co-owner who desires to repair a Common Element or structurally modify a Unit must first obtain written consent from the Association and shall be responsible for all damages to any other Units or to the Common Elements resulting from such repairs or from the Co-owner's failure to effect such Maintenance and repairs.

3.2 The Association shall maintain and repair the General Common Elements, to the extent stated in the Master Deed and shall charge the costs to all the Co-owners as a common expense unless the repair is necessitated by the negligence, misuse, or neglect of a Co-owner, in which case the expense shall be charged to the Co-owner. The Association and its agents shall have access to each Unit during reasonable working hours, on notice to the occupant, for the purpose of maintaining, repairing, or replacing any of the Common Elements in the Unit or accessible from it. The Association and its agents shall also have access to each Unit at all times without notice for emergency repairs necessary to prevent damage to other Units or the Common Elements.

Section 4. Reconstruction and Repair. If the Condominium Project or any of its Common Elements are destroyed or damaged, in whole or in part, and insurance proceeds are payable because of the destruction or damage, and the proceeds recovered are sufficient to reconstruct the Project or repair the Common Element(s), then the proceeds shall be applied to reconstruction. As used in this provision, "reconstruction" means restoration of the Project to substantially the same condition that it was in before the disaster.

4.1 If the destroyed or damaged Common Element is not insured against the peril causing the loss or the proceeds of the policies insuring the Project and payable because of the loss are insufficient to reconstruct the Project, provisions for reconstruction may be made by the affirmative vote of at least 75 percent of the Co-owners voting at a meeting called for that purpose. Any such meeting shall be held within 30 days after the final adjustment of insurance claims, if any, or within 90 days after the disaster, whichever occurs first. At any such meeting, the Board or its representative shall present to the Co-owners present an estimate of the cost of the reconstruction and the estimated amount of necessary special assessments against each Unit to pay for it. If the Common Element is reconstructed, any insurance proceeds shall be applied to the reconstruction, and special assessments may be made against the Units to pay the balance.

4.2 If the Common Element is not insured against the peril causing the loss or the proceeds of the policies insuring the Project and payable because of the loss are insufficient to reconstruct the Project and provisions for reconstruction are not made pursuant to the preceding paragraph, provisions for the withdrawal of any part of the property from the provisions of the Michigan Condominium Act and the Project may be made by the affirmative vote of at least 75 percent of the Co-owners voting at a meeting called for that purpose. Any such meeting shall be

held within 30 days after the final adjustment of insurance claims, if any, or within 90 days after the disaster, whichever occurs first. When a Unit or part of a Unit is withdrawn, the percentage of ownership in the Common Elements appurtenant to that Unit shall be reallocated among the remaining Units based on the relative percentages of ownership in the Common Elements appurtenant to each remaining Unit. If only part of a Unit is withdrawn, the percentage of ownership in the Common Elements appurtenant to that Unit shall be reduced accordingly, based on the diminution in the market value of the Unit, as determined by the Board. Any insurance proceeds shall be allocated, on the basis of square footage withdrawn or some other equitable basis determined by the Board, among the Units, parts of Units, and parts of the Common Elements withdrawn. As compensation for such withdrawals,

(a) any insurance proceeds allocated to withdrawn Units or parts of Units shall be paid to the Co-owners in proportion to their percentages of ownership in the Common Elements appurtenant to the withdrawn Units or parts of Units;

(b) any insurance proceeds allocated to withdrawn parts of the Limited Common Elements shall be paid to the Unit Co-owners entitled to their use in proportion to their percentages of ownership in the Common Elements appurtenant to the Units served by the withdrawn Limited Common Elements; and

(c) any insurance proceeds allocated to withdrawn parts of the General Common Elements shall be paid to all Unit Co-owners in proportion to their percentages of ownership in the Common Elements.

4.3 On the withdrawal of any Unit or part of a Unit, the Co-owner shall be relieved of any further responsibility or liability for the payment of any assessments for the Unit, if the entire Unit is withdrawn or for the payment of the part of assessments proportional to the diminution in square footage of the Unit if only part of the Unit is withdrawn.

4.4 If the property is not insured against the peril causing the loss or the proceeds of the policies insuring the Project and payable because of the loss are insufficient to reconstruct the Project and no provisions for either reconstruction or withdrawal are made pursuant to the preceding paragraphs, the provisions of the Michigan Condominium Act shall apply.

4.5 Prompt written notice of all material damage or destruction to a Unit or any part of the Common Elements shall be given to the holders of first mortgage liens on any affected Units.

4.6 Notwithstanding anything in this Section 4 to the contrary, the Association shall be REQUIRED to repair and reconstruct any damage to the roadways, driveways, Community Sewer System and Storm Water Drainage System contained within the Project, and may not withdraw any portion of the roadways, driveways, Community Sewer System or Storm Water Drainage System from the Project without the advance written consent of the Township.

Section 5. Eminent Domain. The following provisions shall pertain on any taking by eminent domain:

5.1 If any part of the Common Elements is taken by eminent domain, the award shall be allocated to the Co-owners in proportion to their undivided interests in the Common Elements. The Association, through its Board of Directors, may negotiate on behalf of all Co-



owners for any taking of Common Elements, and any negotiated settlement approved by more than two-thirds of the Co-owners based on assigned voting rights shall bind all Co-owners.

5.2 If a Unit is taken by eminent domain, that Unit's undivided interest in the Common Elements shall be reallocated to the remaining Units in proportion to their undivided interests in the Common Elements. The court shall enter a decree reflecting the reallocation of undivided interests and the award shall include just compensation to the Co-owner of the Unit taken for the Co-owner's undivided interest in the Common Elements, as well as for the Unit.

5.3 If part of a Unit is taken by eminent domain, the court shall determine the fair market value of the part of the Unit not taken. The undivided interest for the Unit in the Common Elements shall be reduced in proportion to the diminution in the fair market value of the Unit resulting from the taking. The part of the undivided interest in the Common Elements thus divested from the Co-owner of a Unit shall be reallocated among the other Units in the Project in proportion to their undivided interests in the Common Elements. A Unit that is partially taken shall receive the reallocation in proportion to its undivided interest as reduced by the court order under this provision. The court shall enter a decree reflecting the reallocation of undivided interests, and the award shall include just compensation to the Co-owner of the Unit partially taken for that part of the undivided interest in the Common Elements divested from the Co-owner and not revested in the Co-owner pursuant to provision d, as well as for the part of the Unit taken by eminent domain.

5.4 If the taking of part of a Unit makes it impractical to use the remaining part of that Unit for a lawful purpose permitted by the Condominium Documents, the entire undivided interest in the Common Elements appurtenant to that Unit shall be reallocated to the remaining Units in the Project in proportion to their undivided interests in the Common Elements. The remaining part of the Unit shall then be a Common Element. The court shall enter an order reflecting the reallocation of undivided interests, and the award shall include just compensation to the Co-owner of the Unit for the Co-owner's entire undivided interest in the Common Elements and for the entire Condominium Unit.

5.5 Votes in the Association and liability for future administration expenses pertaining to a Unit that is taken or partially taken by eminent domain shall be reallocated to the remaining Units in proportion to their voting strength in the Association. The voting strength in the Association of a Unit that is partially taken shall be reduced in proportion to the reduction in its undivided interest in the Common Elements.

ARTICLE XI

MORTGAGES AND LIENS

Section 1. Mortgage of Condominium Units.

1.1 **Co-owner Notice to Association.** Any Co-owner who mortgages a Condominium Unit shall notify the Association of the name and address of the Mortgagee, and the Association shall maintain such information in a book entitled "Mortgagees of Units." At the written request of a Mortgagee of any Unit, the Association may report any unpaid assessments due from the Co-owner of such Unit.

1.2 **Association Notice to Mortgagees.** The Association shall notify each Mortgagee appearing in the book of Mortgagees of the name of each company insuring the

condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and of the amounts of such coverage.

Section 2. Construction Liens. A construction lien for work performed on a Condominium Unit or a Common Element shall attach only to the Unit or element on which the work was performed. A lien for work authorized by the Developer or the principal contractor shall attach only to Condominium Units owned by the Developer when the statement of account and lien are recorded. A mechanic's lien for work authorized by the Association shall attach to each Unit in proportion to the extent to which the Co-owner must contribute to the administration expenses. No mechanic's lien shall arise or attach to a Condominium Unit for work performed on the General Common Elements that is not contracted by the Association or the Developer.

ARTICLE XII **ARBITRATION**

Section 1. Submission to Arbitration. Any dispute, claim, or grievance relating to the interpretation or application of the Deed, Bylaws, or other Condominium Documents among or between Co-owners and the Association may, on the election and written consent of the parties to the dispute, claim, or grievance and written notice to the Association, be submitted to arbitration. The parties shall accept the arbitrator's award as final and binding. All arbitration under these Bylaws shall proceed in accordance with MCLA 600.5001 et seq., MSA 27A.5001 et seq. and applicable rules of the arbitration association.

Section 2. Disputes Involving the Developer. A contract to settle by arbitration may also be signed by the Developer and any claimant with a claim against such Developer that may be the subject of a civil action, subject to the following conditions:

2.1 At the exclusive option of a purchaser, Co-owner, or Person occupying a Unit in the Project, the Developer shall sign a contract to settle by arbitration a claim that may be the subject of a civil action against such Developer that involves less than \$2,500 and relates to a purchase agreement, Condominium Unit, or the Project.

2.2 At the exclusive option of the Association of Co-owners, the Developer shall sign a contract to settle by arbitration a claim that may be the subject of a civil action against such Developer that relates to the Common Elements of the Project and involves less than \$10,000.

Section 3. Preservation of Rights. The election of a Co-owner or the Association to submit a dispute, claim, or grievance to arbitration shall preclude that party from litigating the dispute, claim, or grievance in the courts. However, except as otherwise stated in this Article, no interested party shall be precluded from petitioning the courts to resolve a dispute, claim, or grievance in the absence of an election to arbitrate.

ARTICLE XIII **MISCELLANEOUS PROVISIONS**

Section 1. Severability. If any of the provisions of these Bylaws or any Condominium Document are held to be partially or wholly invalid or unenforceable for any reason, that holding shall not affect, alter, or impair any of the other provisions of these documents or the remaining part



Page: 58 of 88
01/06/2004 12:55P
L-4351 P-767

Kirkway of Scio
Condominium

of any provision that is held to be partially invalid or unenforceable. In such an event, the documents shall be construed as if the invalid or unenforceable provisions were omitted.

Section 2. Notices. Notices provided for in the Michigan Condominium Act, the Deed, and the Bylaws shall be in writing and shall be addressed to the Developers, or to the Co-owner at the address stated in the deed of conveyance, or to either party at a subsequently designated address. The Association may designate a different address by notifying all Co-owners in writing. Any Co-owner may designate a different address by notifying the Association in writing. Notices shall be deemed delivered when they are sent by U.S. mail with the postage prepaid or when they are delivered in Person.

Section 3. Amendments. These Bylaws may be amended or repealed only in the manner stated in Article VIII of the Master Deed.

Adopted this 6TH day of January, 2004.

INCORPORATOR:

CURTIS-A&M SCIO LLC

By: Angelo Evangelista
Its: Member

CONDOMINIUM SUBDIVISION PLAN



Page: 59 of 68
01/06/2004 12:55P

Peggy M Haines, Washtenaw DMA 5517977 L-4351 P-767

EXHIBIT B
TO THE MASTER DEED

**CONDOMINIUM SUBDIVISION PLAN
OF KIRKWAY OF SCIO CONDOMINIUM**

IN SCIO TOWNSHIP, WASHTENAW COUNTY, MICHIGAN

Peggy M Haines, Washtenaw DMR 5517977

WASHTENAW COUNTY CONDOMINIUM

SUBDIVISION PLAN NO. 442

EXHIBIT B TO THE MASTER DEED OF
KIRKWAY OF SCIO Condominium
A SITE CONDOMINIUM LOCATED IN THE
S.E. 1/4, SECTION 20, T2S, R5E,
SCIO TOWNSHIP, WASHTENAW COUNTY, MICHIGAN

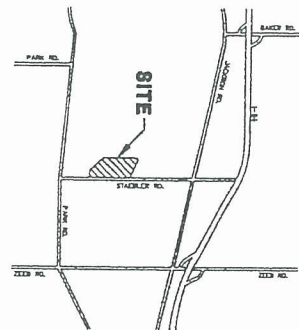
ATTENTION: COUNTY REGISTER OF DEEDS
THE CONDOMINIUM PLAN NUMBER MUST BE ASSIGNED IN SEQUENCE. WHEN A
NUMBER HAS BEEN ASSIGNED TO THIS PROJECT IT MUST BE PROPERLY SHOWN IN
THE TITLE OF THIS SHEET AND IN THE SURVEYOR'S CERTIFICATE ON SHEET 3.

DEVELOPER

CURTIS-ARM SCIO, LLC
40028 GRAND RIVER
SUITE 350
NOV, MI. 48375
TELE: (248) 471-1900

SURVEYOR

MIDWESTERN CONSULTING, L.L.C.
3815 PLAZA DRIVE
ANN ARBOR, MI. 48108
TELE: (734) 995-0200



VICINITY SKETCH
NO SCALE

SHEET INDEX

1. COVER SHEET
2. SURVEY PLAN
3. SURVEY PLAN
4. SITE PLAN
5. SITE PLAN
6. UTILITY PLAN
7. UTILITY PLAN
8. FLOOD PLAN PLAN

1

LEGAL DESCRIPTION

LEGAL DESCRIPTION OF AN 16.93 ACRE PARCEL OF LAND
LOCATED IN THE SE 1/4 OF SECTION 20, T2S, R5E,
SCIO TOWNSHIP, WASHTENAW COUNTY, MICHIGAN

Beginning at the E 1/4 corner of Section 20, T2S, R5E, Scio
Township, Washtenaw County, Michigan, thence S 00°24'45" E
1521.06 feet along the East line of said Section 20 and the
centerline of Stoebler Road (66 feet wide), to a point being the
intersection of the East line of said Section 20 with the
centerline of the Honey Creek Drain, thence N 65°01'03" W 66.42
feet along said centerline to the POINT OF BEGINNING.

thence S 00°24'45" E 44.28 feet along the West right-of-way
line of Stoebler Road to a point hereafter referred
to as Intermediate Traverse Point "B";
thence continuing S 00°24'45" E 1064.81 feet along the West
line of Stoebler Road;
thence S 00°24'45" E 172.26 feet along a line 60 feet North
of and parallel to the centerline of the Honey Creek Drain,
to a point hereafter referred to as Intermediate
Traverse Point "A";
thence N 89°53'51" W 48.60 feet to the centerline of the
Honey Creek Drain;
thence along the centerline of said Honey Creek Drain in the
following four (4) courses:

N 34°28'45" W 469.79 feet;
N 01°15'02" W 923.10 feet;
Northeasterly 114.83 feet in the arc of a curve to the
right, radius 56.61 feet, central angle 116°13'59";
S 65°01'03" E 516.23 feet to the POINT OF BEGINNING, said
Honey Creek Drain being also defined by the following
described intermediate traverse line:

Beginning at Intermediate Traverse Point "A";
thence N 34°28'45" W 469.43 feet;
thence N 01°15'02" W 917.31 feet;
thence S 70°22'45" E 171.50 feet;
thence S 65°01'03" E 458.09 feet to said intermediate
Traverse Point "B".

Being a part of the SE 1/4 of said Section 20, T2S, R5E, and
containing 16.93 acres of land, more or less.

Being subject to:
Right-of-way for pipeline as disclosed in Liber 360 of Deeds,
Page 171, Washtenaw County Records, Airtelwell, recorded in
Liber 263 of Deeds, Page 125, Washtenaw County Records.
Right-of-way for drain, as disclosed in Liber 357, Page 169,
Washtenaw County Records.
Memorandum of Agreement between Scio Farms Estates Limited
and J. Don
Commencing a Michigan limited partnership, recorded in
Liber 2010, Page 511, Washtenaw County Records.
Covenant Agreement between the Detroit Edison Company and
Michigan Bell Telephone Company and Scio Farms Estates,
recorded in Liber 2093, Page 232, Washtenaw County Records.
Judgment, recorded in Liber 1446, Page 667, Washtenaw County
Records.
Terms and Conditions of Consent Judgment, recorded in Liber 2998,
Page 192, Washtenaw County Records.
Restrictions and Covenants, as recorded in Liber 3093, Page 159,
Washtenaw County Records.
Consent Judgment, as recorded in Liber 3093, Page 169,
Washtenaw County Records.

PREPARED BY
MIDWESTERN CONSULTING, L.L.C.
PATRICK P.S. #37277



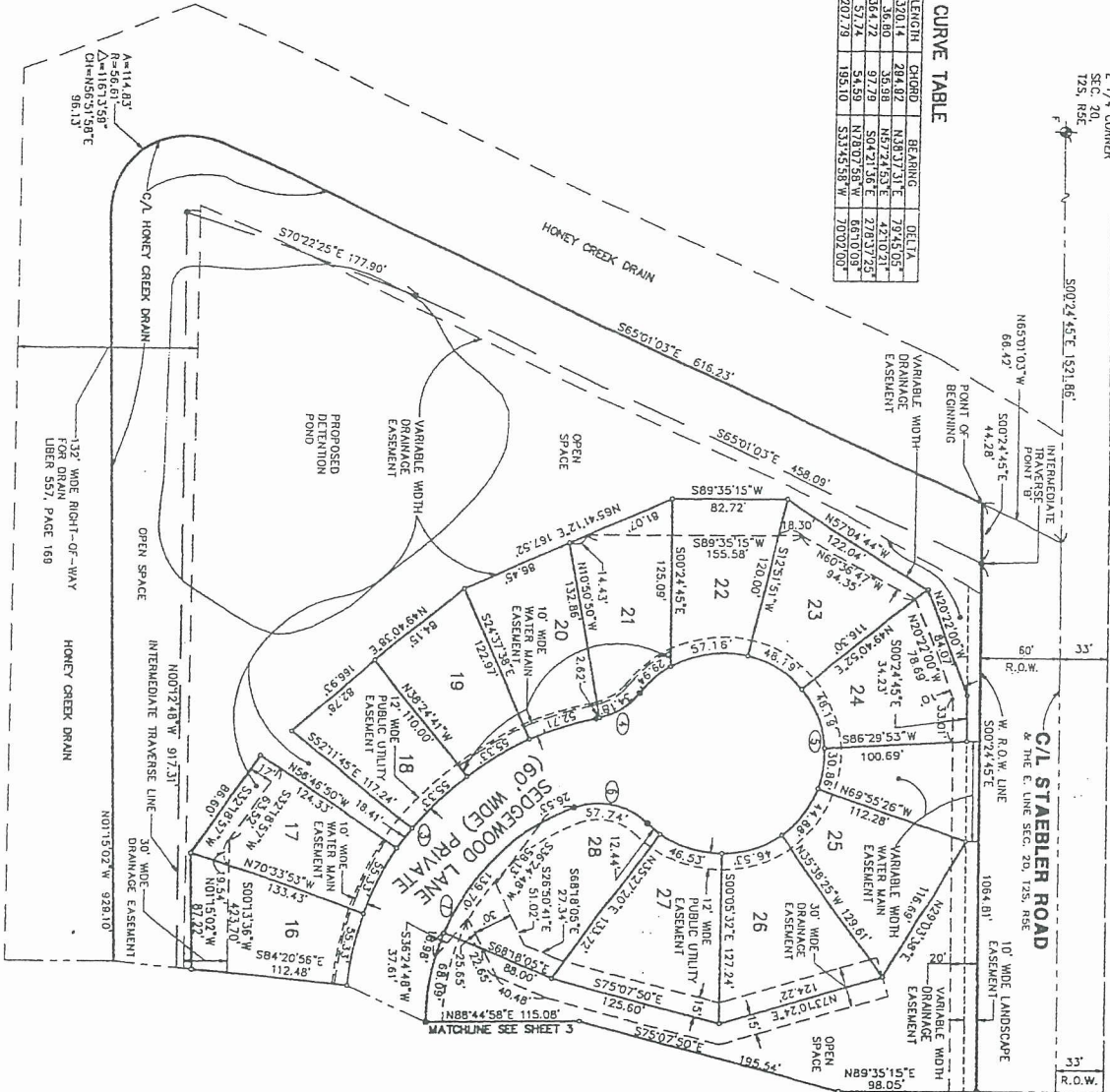
Peggy M Haines, Washtenaw DMA

5517977

L-4351 P-767

CURVE	RADIUS	LENGTH	CHORD	BEARING	DELTA
3	230.00	120.14	284.82	N48°31'31"E	78°45'05"
4	50.00	36.80	36.39	N67°24'53"E	42°10'21"
5	75.00	36.72	97.79	S04°21'36"E	278°37'25"
6	50.00	57.74	54.59	N28°07'58"W	68°10'09"
7	170.00	207.79	195.10	S33°45'58"W	70°02'00"

CURVE TABLE



- LEGEND
- SET MONUMENT
 - LIMITS OF OWNERSHIP (UNIT)
 - CURVE IDENTIFICATION



NOTE: ALL DRAINAGE EASEMENTS SHOWN ARE "PRIVATE" EASEMENTS TO WASHTENAW COUNTY DRAIN COMMISSIONER AND THE KIRKWAY OF SCIO CONDOMINIUM ASSOCIATION FOR DRAINAGE.

PREPARED BY: MIDWESTERN CONSULTING, L.L.C.
PATRICK L. HAINES, P.E., P.S. #37277

PROPOSED DATED: DEC. 2, 2003

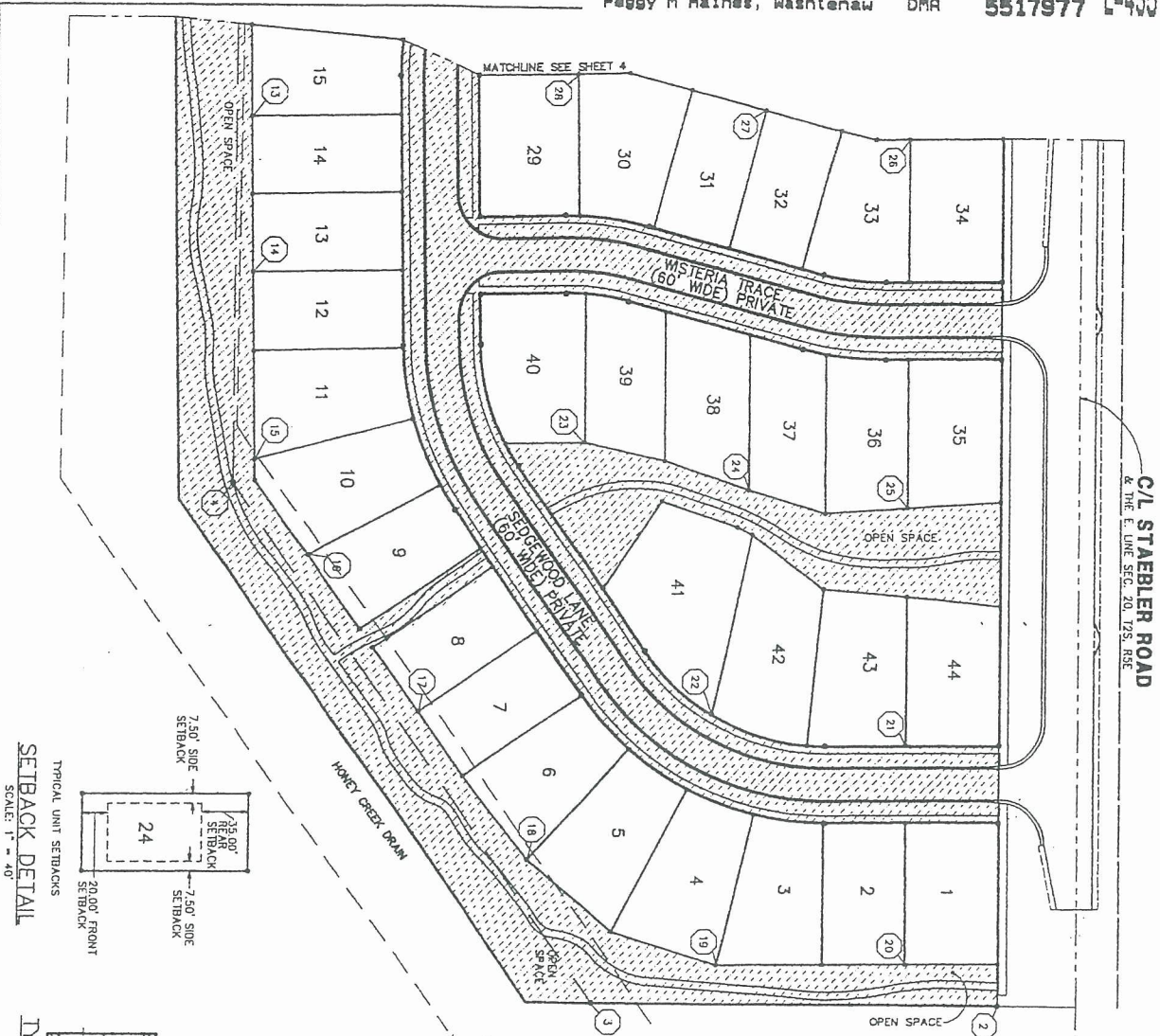
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BY	PH
CHECKED	PH
DATE	11-10-03
BY	PH
CHECKED	PH
DATE	11-10-03
BY	PH
CHECKED	PH
DATE	11-10-03
BY	PH

2

KIRKWAY OF SCIO
CONDOMINIUM
SURVEY PLAN

CLIENT
CURTIS-ARM SCIO LLC
40028 GRAND RIVER SUITE 250
NOVI, MICHIGAN 48375
(248) 471-1800

MIDWESTERN CONSULTING
Civil, Environmental and
Transportation Engineers
Planners, Surveyors
Landscape Architects
3815 Pioneer Drive
Ann Arbor, Michigan 48108
Tel: 734.769.0200
Fax: 734.769.0200



TYPICAL UNIT SETBACKS
 SCALE: 1" = 40'

TYPICAL UNIT CROSS-SECTION
 APPROXIMATE
 BASE ELEVATION
 VARIES

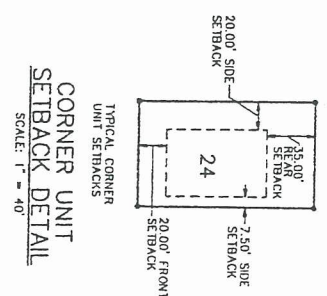
COORDINATE LIST

POINT	NORTH	EAST
1	7378.16	9556.74
2	7387.72	9546.49
3	7397.87	9537.61
4	7408.53	9529.31
5	7419.74	9521.60
6	7431.45	9514.42
7	7443.72	9507.78
8	7456.56	9501.70
9	7469.97	9496.18
10	7483.94	9491.25
11	7498.47	9486.91
12	7513.56	9483.16
13	7529.20	9480.00
14	7545.40	9477.42
15	7562.15	9475.42
16	7579.45	9474.00
17	7597.30	9473.14
18	7615.70	9472.80
19	7634.65	9473.00
20	7654.15	9473.71
21	7674.20	9474.92
22	7694.80	9476.64
23	7715.95	9478.87
24	7737.65	9481.61
25	7759.90	9484.86
26	7782.70	9488.61
27	7806.05	9492.86
28	7830.00	9497.61

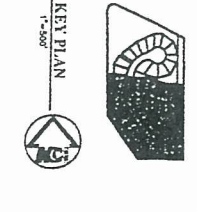
UNIT ELEVATION AND AREA

UNIT	BASE ELEVATION	UNIT AREA S.F.
1	888.4	7956.90
2	887.8	6618.64
3	887.2	7828.28
4	886.5	8454.29
5	885.7	8227.46
6	884.7	7811.16
7	883.4	6633.14
8	882.0	6600.00
9	881.0	8332.58
10	880.2	7442.98
11	880.6	7442.98
12	880.0	6626.09
13	879.6	6600.00
14	879.0	6600.00
15	878.4	7102.62
16	877.8	6208.92
17	877.2	6208.92
18	876.6	6208.92
19	876.0	6208.92
20	875.4	6208.92
21	874.8	6208.92
22	874.2	6208.92
23	873.6	6208.92
24	873.0	6208.92
25	872.4	6208.92
26	871.8	6208.92
27	871.2	6208.92
28	870.6	6208.92
29	870.0	6208.92
30	869.4	6208.92
31	868.8	6208.92
32	868.2	6208.92
33	867.6	6208.92
34	867.0	6208.92
35	866.4	6208.92
36	865.8	6208.92
37	865.2	6208.92
38	864.6	6208.92
39	864.0	6208.92
40	863.4	6208.92
41	862.8	6208.92
42	862.2	6208.92
43	861.6	6208.92
44	861.0	6208.92

NOTES:
 1. ALL ROADS MUST BE BUILT.



LEGEND

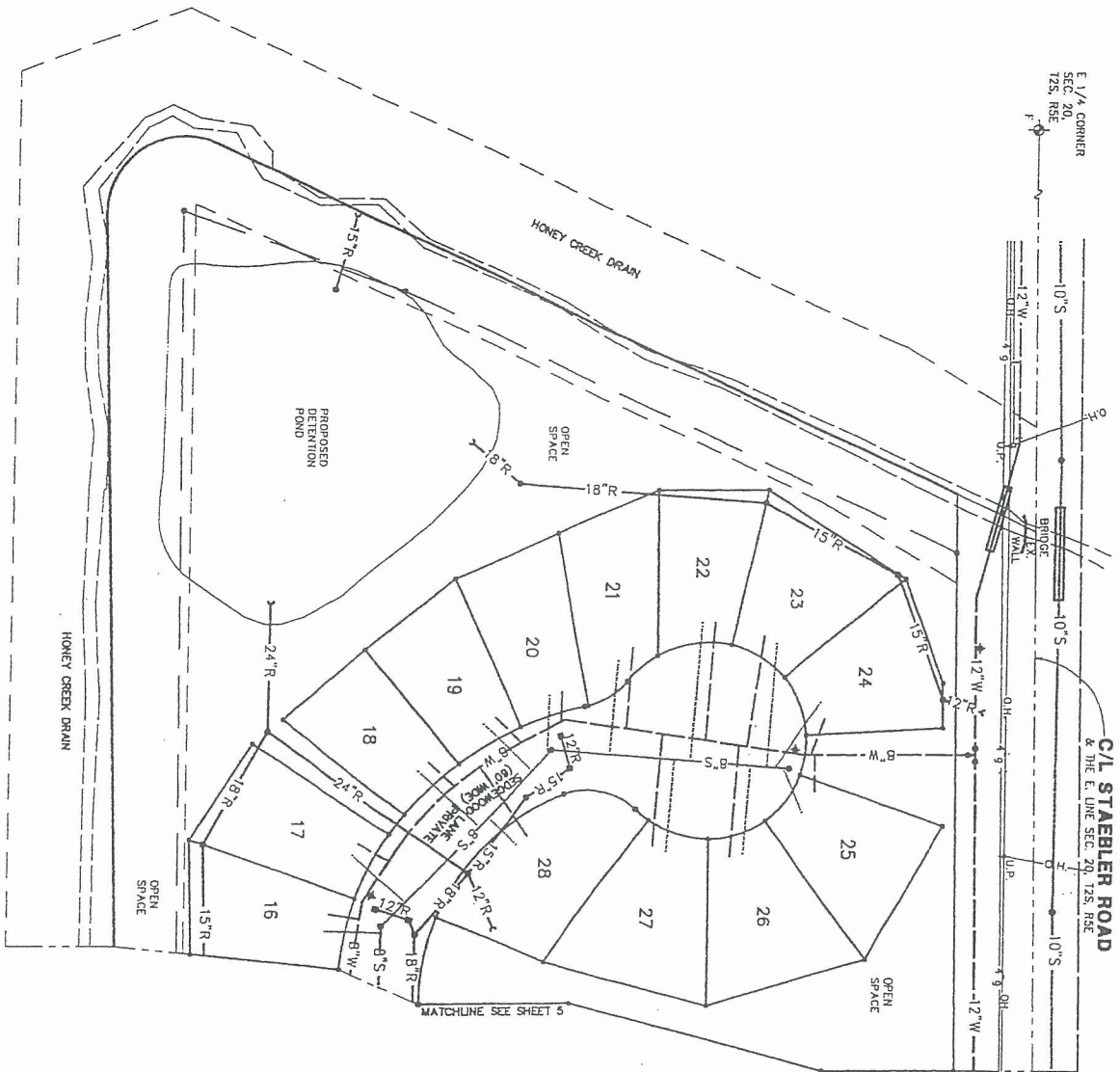




Peggy M Haines, Washtenaw DMA

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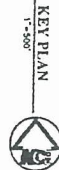


NOTES:

1. ALL UTILITIES MUST BE BUILT.
2. STORM SEWER, SANITARY SEWER AND WATERMAIN WERE TAKEN FROM APPROVED CONSTRUCTION PLANS PREPARED BY MIDWESTERN CONSULTING.
3. GAS, ELECTRIC, TELEPHONE AND CABLE TELEVISION LIE WITHIN THE PRIVATE ROAD RIGHT-OF-WAY.
4. GAS AND ELECTRIC ARE PROVIDED BY DTE ENERGY.
5. CABLE TELEVISION IS PROVIDED BY SBC.
6. SANITARY SEWER IS PROVIDED BY SCIO TOWNSHIP.
7. WATERMAIN IS PROVIDED BY SCIO TOWNSHIP.

LEGEND
SET MONUMENT
SET IRON
LIMITS OF OWNERSHIP (UNIT)
EXIST. UTILITY POLE
EXIST. OVERHEAD UTILITY LINE
EXIST. TELEPHONE LINE
EXIST. GAS LINE
EXIST. WATER MAIN
PROP. HYDRANT
PROP. GATE VALVE IN WELL
PROP. BLOW-OFF
PROP. STORM SEWER
PROP. SANITARY SEWER
TELEPHONE RISER

KEY PLAN



SCALE: 1" = 40'



PREPARED BY: MIDWESTERN CONSULTING, L.L.C.

PATRICIA M. HAINES P.E. #37277

PROPOSED DATED: DEC. 2, 2003

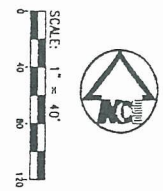
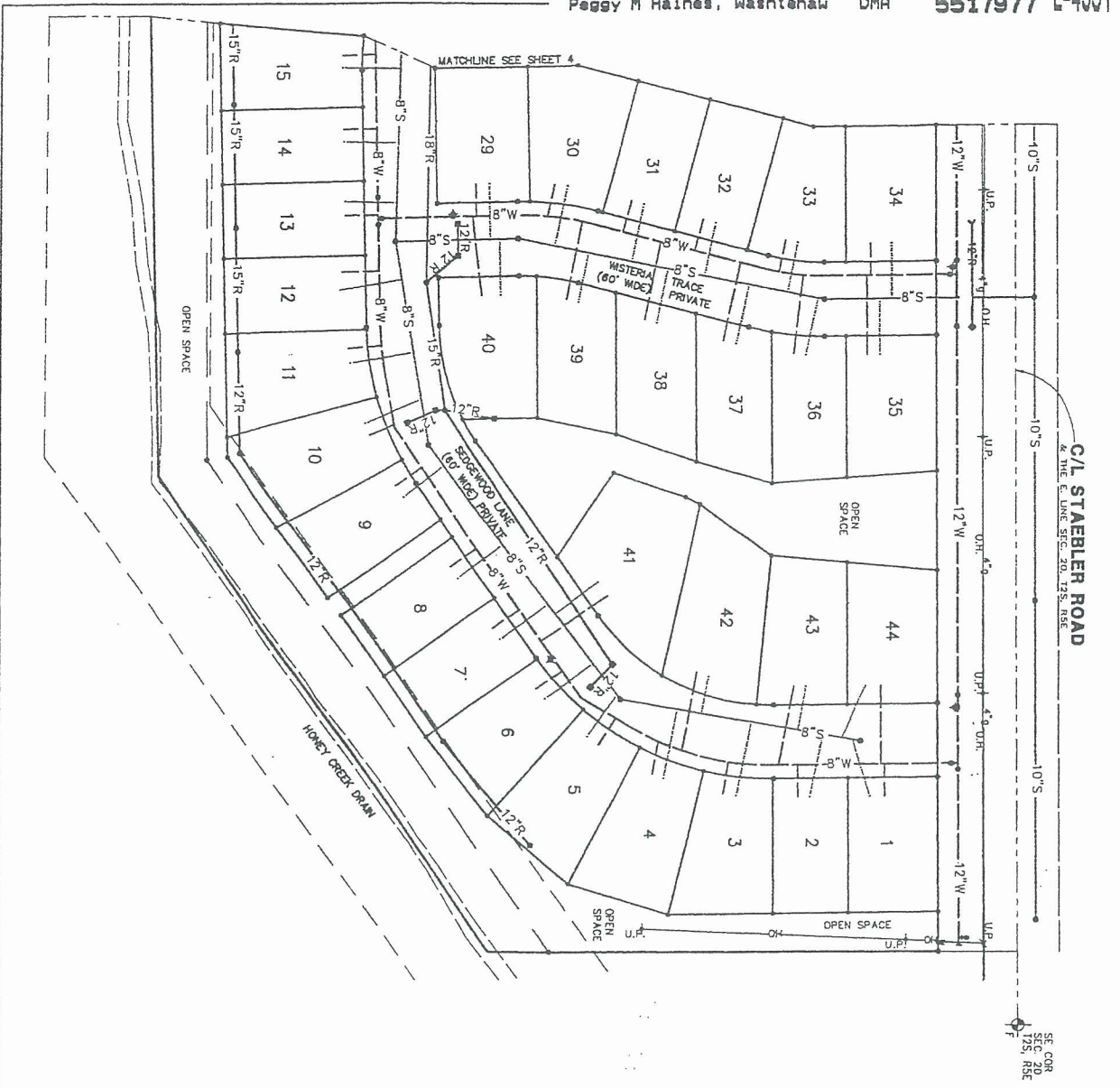
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REV. DATE	12-15-03
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REV. DATE	12-15-03
REV. DATE	12-15-03
REV. DATE	12-15-03
REV. DATE	12-15-03
REV. DATE	12-15-03



KIRKWAY OF SCIO
CONDOMINIUM
UTILITY PLAN

CLIENT
CLINTS-HAW SCIO LLC
40028 GRAND RIVER SUITE 350
NOVI, MICHIGAN 48375
(248) 471-1800

MIDWESTERN CONSULTING
3815 Phase Drive
Ann Arbor, Michigan 48106
Phone: 734.985.0200
Fax: 734.985.0209

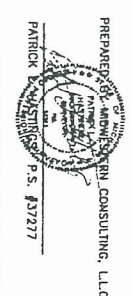


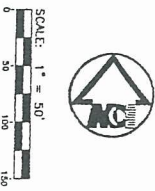
LEGEND

- SET MONUMENT
- SET IRON
- LIMITS OF OWNERSHIP (UNIT)
- U.P. EXIST. UTILITY POLE
- O.H. EXIST. OVERHEAD UTILITY LINE
- EXIST. TELEPHONE LINE
- EXIST. ELECTRIC LINE
- EXIST. GAS LINE
- PROP. WATER MAIN
- PROP. HYDRANT
- PROP. GATE VALVE IN WELL
- PROP. BLOW-OFF
- PROP. STORM SEWER
- PROP. CATCH BASIN OR INLET
- PROP. SANITARY SEWER
- TELEPHONE RISER

NOTES:

1. ALL UTILITIES MUST BE BUILT.
2. STORM SEWER, SANITARY SEWER AND WATERMAIN PREPARED BY MIDWESTERN CONSULTING PLANS.
3. GAS, ELECTRIC, TELEPHONE AND CABLE TELEVISION LIE WITHIN THE PRIVATE ROAD RIGHT-OF-WAY.
4. GAS, AND ELECTRIC ARE PROVIDED BY DTE ENERGY.
5. TELEPHONE IS PROVIDED BY SRC.
6. CABLE TELEVISION IS PROVIDED BY COMCAST.
7. SANITARY SEWER AND WATERMAIN IS PROVIDED BY SCIO TOWNSHIP.





PROPOSED DATED: DEC. 2, 2003

MIDWESTERN CONSULTING

MC Civil, Environmental and
Transportation Engineers
Planners, Surveyors
Landscape Architects

3615 Phase Drive
Ann Arbor, Michigan 48106
Phone: 734.995.2200
Fax 734.885.0500

AFFIDAVIT OF MAILED NOTICES



EXHIBIT C
AFFIDAVIT OF MAILED NOTICES

STATE OF MICHIGAN)
COUNTY OF OAKLAND) ss.

The undersigned, being duly sworn, deposes and says that **CURTIS-A&M SCIO LLC** provided written notice to the following entities in compliance with MCLA §559.171:

- Scio Township Offices;
- Washtenaw County Road Commission;
- Washtenaw County Drain Commission;
- Michigan Transportation Department;
- Michigan Department of Environmental Quality;
- Michigan Department of Community Health; and
- Michigan Department of Consumer & Industry Services,

not less than ten days before taking a reservation under a preliminary reservation agreement for a condominium unit, recording the master deed for **KIRKWAY OF SCIO CONDOMINIUM**, or beginning construction of the project.

AND FURTHER DEPONENT SAYETH NOT.

CURTIS-A&M SCIO LLC:


By: Angelo Evangelista
Its: Member

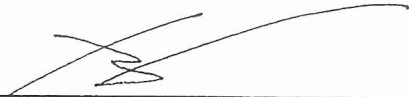
Dated: January 6, 2004

STATE OF MICHIGAN)
COUNTY OF OAKLAND) ss.

Subscribed, sworn to and acknowledged before me by Angelo Evangelista, Member of **CURTIS-A&M SCIO LLC**, a Michigan limited liability company, on behalf of such company, on this 6TH day of January, 2004:

[seal]

SCOTT DAVID MACDONALD
Notary Public, Oakland County, MI
My Commission Expires Aug 28, 2004


SCOTT D MACDONALD, Notary Public
OAKLAND County, Michigan
My commission expires: 08/28/2004

**ARTICLES OF INCORPORATION FOR
KIRKWAY OF SCIO CONDOMINIUM ASSOCIATION,
A DOMESTIC NONPROFIT MEMBERSHIP CORPORATION**

**MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH
BUREAU OF COMMERCIAL SERVICES**

Date Received

(FOR BUREAU USE ONLY)

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

Scott D. MacDonald
Dixon & MacDonald, P.C.
30665 Northwestern Hwy., Ste. 200
Farmington Hills, Michigan 48334

EFFECTIVE DATE:

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

**ARTICLES OF INCORPORATION
KIRKWAY OF SCIO CONDOMINIUM ASSOCIATION, INC.
A DOMESTIC NONPROFIT MEMBERSHIP CORPORATION**

These Articles of Incorporation are signed by the Incorporator to form a nonprofit corporation under Michigan's Nonprofit Corporation Act, MCLA 450.2101 et seq., MSA 21.197(101) et seq.

ARTICLE I

The name of the corporation is **Kirkway of Scio Condominium Association, Inc.**

ARTICLE II

Section 1. The purposes for which the corporation is formed are to provide an entity pursuant to the Michigan Condominium Act, MCLA 559.101 et seq., MSA 26.50(101) et seq., for the operation of condominium property in Macomb County, Michigan, and, in furtherance of such operation,

1.1 to maintain, operate, and manage the condominium buildings and improvements;

1.2 to levy and collect assessments from members to defray the costs, expenses, and losses of the condominium;

1.3 to employ personnel, to contract for the maintenance, administration, and management of the condominium, and to delegate necessary powers and duties to such personnel;

1.4 to purchase insurance on the common elements of the condominium and to collect and allocate the proceeds;

1.5 to make and enforce reasonable rules and regulations concerning the use of the condominium property in furtherance of the master deed and bylaws;

1.6 to authorize and approve the signing of contracts, deeds, and easements affecting the common elements; and

1.7 in general, to carry on any other business in connection with these purposes, with all the powers conferred on nonprofit corporations by Michigan law.

Section 2. All funds and the titles to all properties acquired by the corporation and their proceeds shall be held in trust for the members in accordance with the provisions of the bylaws of the association.

ARTICLE III

The physical location and mailing address for the registered office is 40028 Grand River Ave., Ste. 350, Novi, Michigan 48375. The name of the resident agent at the registered office is Angelo Evangelista.

ARTICLE IV

The corporation is organized on a non-stock, membership basis. The corporation possesses no property or other assets as of its date of incorporation. The corporation is to be financed by the assessment of members to defray the costs, expenses, and losses of the condominium.

ARTICLE V

The name and address of the incorporator, and first member of the board of directors, is Curtis-A&M Scio, LLC, 40028 Grand River Ave., Ste. 350, Novi, Michigan 48375, c/o its designated representative, Angelo Evangelista.

ARTICLE VI

The term of the corporation shall be perpetual.

ARTICLE VII

Section 1. The corporation is organized on a membership basis, and each co-owner of record of a unit in the condominium, including the developer until all units have been sold, shall be a member of the corporation. Membership shall not be assigned, pledged, encumbered, or transferred in any manner except as an appurtenance of a unit. The director named in these Articles of Incorporation shall also be a member of the corporation until his successors have been elected and qualified.

Section 2. Each member of the corporation shall be entitled to one vote, the value and the manner of exercise of which are to be determined in accordance with the bylaws of the corporation.

ARTICLE VIII

Any action required or permitted by the Michigan Condominium Act to be taken at an annual or special meeting of members may be taken without a meeting, without prior notice, and without a vote if the number of members with 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 were present and voted consent to the action in writing. Prompt notice of the taking of corporate action without a meeting by less than unanimous consent shall be given to members who have not consented in writing.

ARTICLE IX

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 MCLA 559.101 et seq., MSA 26.50(101) et seq.) because 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. Any individual director or officer may be a party to or may 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 individual must disclose the material facts about the relationship or interest to the board or committee before it authorizes, approves, or ratifies the contract or transaction by a sufficient vote that does not include the vote of the interested director or officer. Any person who becomes 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 that person or any firm, association, or corporation in which the person is otherwise interested in as stated in this Article IX.

ARTICLE X

Section 1. The members of the board shall be volunteer directors within the meaning of 1987 PA 170 (codified as amended in scattered sections of MCLA Chapter 450). 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:

- 1.1 a breach of the director's duty of loyalty to the corporation or its members;
- 1.2 acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law;
- 1.3 a violation of MCLA 450.2551(1), MSA 21.197(551)(1);
- 1.4 a transaction from which the director derived an improper personal benefit;
- 1.5 an act or omission that is grossly negligent; or

1.6 an act or omission occurring before this document is filed.

Section 2. A volunteer director shall be personally liable for monetary damages for a breach of fiduciary duty as a director to the corporation and its members to the extent stated in this Article X. Any repeal or modification of this article shall not adversely affect any right or protection of any volunteer director regarding any acts or omissions occurring before the repeal or modification.

ARTICLE XI

These articles may be amended only by an affirmative vote of at least two-thirds of the entire membership of the corporation. No amendment may change the qualifications for 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 according to each member's interest in the common elements of the condominium project.

Signed this 6TH day of January, 2004:

INCORPORATOR:

CURTIS-A&M SCIO LLC


By: Angelo Evangelista
Its: Member

Name of person or organization remitting fees:

Dixon & MacDonald, P.C.

Preparer's name and business telephone number:

Scott D. MacDonald
(248) 865-8866

CONDOMINIUM ESCROW AGREEMENT

release all such escrow deposits in accordance with the arbitration decision or may commence an interpleader action with respect thereto as provided above.

3. **Proof of Occurrences; Confirmation of Substantial Completion; Determination of Cost to Complete.** Escrow Agent may require reasonable proof of occurrence of any of the events, actions or conditions stated herein before releasing any sums held by it pursuant to this Escrow Agreement either to a Purchaser or to Developer. Whenever Escrow Agent is required hereby to receive the certification of a licensed professional architect or engineer that a facility, element, improvement or identifiable portion of any of the same is substantially complete in accordance with the pertinent plans therefor, it may base such confirmation entirely upon the certificate of Developer to such effect coupled with the certificate to the same effect of a licensed professional architect or engineer. Likewise, all estimates and determinations of the cost to substantially complete any incomplete elements, facilities and improvements for which escrowed funds are being specifically maintained under Paragraph 2.D. above shall be made entirely by a licensed professional engineer or architect and the determination of all amounts to be retained or maintained in the escrow account for the completion of any such elements, facilities or improvements shall be based entirely upon such determinations and estimates as are furnished by such engineer or architect. No inspections of the Condominium Project or any portion thereof by any representative of Escrow Agent shall be deemed necessary hereunder, nor must any cost estimates or determinations be made by Escrow Agent and Escrow Agent may rely entirely upon certificates, determinations and estimates as described above in retaining and releasing all escrowed funds hereunder.

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

A. It may release all or any portion of the funds to the party which it, in its sole judgment, determines is entitled to receive such funds under other provisions of this Agreement.

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

C. It may initiate an interpleader action in any circuit court in the State of Michigan naming all interested parties as parties and depositing all or any portion of the funds, securities and documents affected by the adverse claims with the clerk of such court in full acquittance of its responsibilities under this Agreement.

5. **Limited Liability of Escrow Agent; Right to Deduct Expenses from Escrow Deposits.** Upon making delivery of the funds deposited with Escrow Agent pursuant to this Agreement and performance of the obligations and services stated herein, Escrow Agent shall be released from any further liability hereunder, it being expressly understood that liability is limited by the terms and provisions set forth in 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 sold under any other agreement. Escrow Agent is not responsible for the failure of any bank used by it as an escrow depository for funds received by it under this Agreement.

Further, Escrow Agent is not a guarantor of performance by Developer under the Condominium Documents or any Purchase Agreement and Escrow Agent undertakes no responsibilities whatsoever with respect to the nature, extent or quality of such performance thereunder or with regard to the conformity of such performance to the terms of such documents, to the plans and specifications for the Condominium Project, to local or state laws or in any other particular. So long as Escrow Agent relies in good faith upon any certificate, cost estimate or determination of the type described in Section 3, Escrow Agent shall have no liability whatsoever to Developer, any Purchaser, any Co-owner or any other party for any error in such certificate, cost estimate or determination, or for any act or omission by the Escrow Agent in reliance thereon.

Except in instances of negligence or willful misconduct, Escrow Agent's liability hereunder shall in all events be limited to return, to the party or parties entitled thereto, of the funds retained in escrow (or which were replaced by security) less any reasonable expenses which Escrow Agent may incur in the administration of such funds or otherwise hereunder, including, without limitation, reasonable attorneys' fees and litigation expenses paid in connection with the defense, negotiation or analysis of claims against it, by reason of litigation or otherwise, arising out of the administration of such escrowed funds, all of which costs Escrow Agent shall be entitled to deduct from amounts on deposit hereunder.

Notwithstanding any other provision herein to the contrary, Escrow Agent shall be under no obligation to release funds deposited hereunder to any party until it can satisfactorily ascertain that it has received, from the party on whom the funds are drawn, final settlement as that term is defined under the provisions of MCL 440.4101, et seq.

6. **Notices.** All notices required or permitted hereunder and all notices of change of address shall be deemed sufficient if personally delivered or sent by registered mail, postage prepaid and return receipt requested, addressed to the recipient party at the address shown below such party's signature to this Agreement or upon the transmittal letter referred to in Paragraph 1 above. 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.

"Developer"

CURTIS-A&M SCIO LLC,
a Michigan limited liability company

By: Mark Menard

Its: Authorized

Address:
29992 Northwestern Highway, Suite A
Farmington Hills, Michigan 48334

Dated: 2/10/04

"Escrow Agent"

METROPOLITAN TITLE COMPANY
a Michigan corporation

By: Christine M. Lappander

Its: Senior Commercial Officer

Address:
39400 Woodward Ave., Suite 135A
Bloomfield Hills, Michigan 48304

Dated: February 18, 2004

KIRKWAY OF SCIO CONDOMINIUM

NOTICE TO PURCHASERS

Stated below are the provisions of Section 84a of the Condominium Act of 1978, as amended (Act No. 59 of the Michigan Public Acts of 1978, as amended, hereinafter referred to as the "Act"). A copy of this section of the Act is being submitted to Purchasers to comply with the requirements of the Act. By signing below, the Purchasers acknowledge that they have reviewed this section of the Act and have received from Developer a copy of the recorded Master Deed, signed Purchase Agreement, Escrow Agreement, Condominium Buyer's Handbook, and Disclosure Statement.

Section 84a of the Act provides in part:

- (1) The developer shall provide copies of all the following documents to a prospective purchaser of a condominium unit, other than a business condominium unit:
 - (a) The recorded master deed.
 - (b) A copy of a purchase agreement that conforms with section 84 [of the Act], and that is in a form in which the purchaser may sign the agreement, together with a copy of the escrow agreement.
 - (c) A condominium buyer's handbook. The handbook shall contain, in a prominent location and in boldface type, the name, telephone number, and address of the person designated by the administrator to respond to complaints. The handbook shall contain a listing of the available remedies as provided in section 145 [of the Act].
 - (d) A disclosure statement relating to the project containing all of the following:
 - (i) An explanation of the association of co-owners' possible liability pursuant to Section 58 [of the Act].
 - (ii) The names, address, and previous experience with condominium projects of each developer and any management agency, real estate broker, residential builder, and residential maintenance and alteration contractor.
 - (iii) A projected budget for the first year of operation of the association of co-owners.
 - (iv) An explanation of the escrow arrangement.
 - (v) Any express warranties undertaken by the developer, together with a statement that express warranties are not provided unless specifically stated.