

Crystal Shores Condominiums Receipt and Instruction Sheet

Dear Purchaser:

At this time we are furnishing you with the Crystal Shores Condominiums Purchaser Information Booklet which includes the Crystal Shores Condominiums Master Deed, all of the Condominium Documents defined in the Master Deed, and all other documents listed on the reverse of this document.

As provided in Section 84 of the Michigan Condominium Act, your Purchase Agreement (a copy of which you previously received or which is delivered here) cannot become binding until the elapse of nine (9) business days from today. During that time you should be sure to carefully read the accompanying documents which control the operation of the Condominium and are of extreme importance to you in understanding the nature of the interest which you are purchasing and your relationship with the condominium project, it's co-owners and the Developer.

Section 84a of the Michigan Condominium Act sets forth certain information required to be furnished to a prospective purchaser. Section 84a is reproduced on the attached sheets.

Please sign and return to us the additional copy of this Receipt and Instruction Sheet to acknowledge that it and the described documents have been delivered to you.

Very truly yours,

Crystal Shores Condominiums

Receipt of described documents acknowledged:

(If more than one purchaser, all must sign)

Unit No: _____

[Date] _____

**CRYSTAL SHORES CONDOMINIUMS
DOCUMENTS FURNISHED WITH
RECEIPT AND INSTRUCTION SHEET
PURCHASER INFORMATION
BOOKLET CONTAINING:**

**Disclosure Statement
Master Deed and all amendments
Condominium Bylaws
Condominium Subdivision Plans
Crystal Shores Condominium Association Certificate of Incorporation
Crystal Shores Condominium Association Articles of Incorporation
Crystal Shores Condominium Association Bylaws**

OTHER DOCUMENTS:

The Condominium Buyer's Handbook

SECTION 84

(Act No. 59 of Public Acts of 1978, as amended)

Sec. 84a. (1) The developer shall provide copies of all of 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, and that is in the 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.

(d). A disclosure statement relating to the project containing all of the following:

(i). An explanation of the association of coowner's possible liability pursuant to Section 58.

An amendment to the condominium documents effected in the manner provided in the documents or provided by law does not afford the purchaser any right or time to withdraw in addition to that provided in Section 84(2).

(3). At the time the purchaser receives the documents required in subsection (1) the developer shall provide a separate form that explains the provisions of this section. The signature of the purchaser upon this form is prima facie evidence that the documents required in subsection (1) were received and understood by the purchaser.

(4). Promptly after recording a master deed for a condominium project containing a business condominium unit, the developer shall provide to a prospective purchaser of a business condominium unit a copy of the recorded master deed for the project.

(5). With regard to any documents required under this section, a developer shall not make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

(6). The developer promptly shall amend a document required under this section to reflect any material change or to correct any omission in the document.

(7). In addition to other liabilities and penalties, a developer who violates this section is subject to Section 115.

Disclosure statement.

Crystal Shores Condominiums Disclosure Statement

**Purchaser Information Booklet for
Crystal Shores Condominiums**

**A Condominium Project in the Village of
Caseville, Huron County, Michigan.**

Developed by:

Peter Geloso and Patricia R. Geloso, Husband and Wife, of 14504 Elrond Drive, Sterling Heights, Michigan 48313.

Crystal Shores Condominiums is a thirteen unit residential site condominium located in the Village of Caseville, Huron County, Michigan.

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

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

Effective: April ____, 2002

Disclosure Statement

Crystal Shores Condominiums

Article I.

Introduction

Condominium development in Michigan is governed largely by Act 59 of the Michigan Public Acts of 1978, as amended (The Condominium Act).

This Disclosure Statement, together with copies of the legal documents required for the creation and operation of the project, are furnished to each purchaser pursuant to the requirement of Michigan law that the developer of a condominium project disclose to prospective purchasers the characteristics of the condominium units which are offered for sale.

B. Zoning And The Type Of Uses Permitted. This property is located in a Residential Zoning District as designated by the Village of Caseville.

C. Reserved Rights of Developer. The Developer has reserved easements and rights to use of the road, driveways and walkways in the project for the purpose of ingress and egress to and from the condominium property until the Developer has sold all condominium units in the project.

D. Utilities and Roads. The Electric service will be separately metered to the residence constructed on each unit, and is furnished by DTE Energy. There is public water and sanitary sewage service to the project. Natural gas is also available through Consumers Energy. The road located within the project is private, as shown on Exhibit "B" attached to the Master Deed. Private road surfaces and any storm water disposal system located within the project will be maintained by the Condominium Association. It is expected that the wearing surfaces of the private roads in the condominium and easement roads providing access to the condominium from the public road will last approximately four years, but the Developer makes no warranty or representation to that effect. Replacement, repair and resurfacing after that will be necessary from time to time, as circumstances dictate. It will be the responsibility of the Association to inspect and perform preventative maintenance of condominium roadways and easement roadways to the condominium on a regular basis in order to maximize the life of project roadways and to minimize repair and replacement costs.

E. Recreational Facilities. The Developer contemplates no recreational facilities within the project.

F. Easements and Restrictions Affecting Project and Reservation of Mineral Rights. The project is affected by certain public and private utility easements shown in Exhibit "B." Access to a public highway is by way of the road shown on the site plan, attached to the Master Deed.

Article IV.

Legal Documentation

A. General. Crystal Shores Condominiums were established as a condominium project pursuant to the Master Deed for the project recorded in the Huron County Records and contained in the Crystal Shores Condominiums Purchaser Information Booklet. The Master Deed includes the Condominium Bylaws as Exhibit "A" and the Condominium Subdivision Plan as Exhibit "B."

B. Master Deed. The Master Deed contains the definitions of certain terms used in connection with the project, the percentage of value assigned to each unit in the project, a general description of the units and common elements included in the project and a statement regarding the relative responsibilities for maintaining the common elements. Article VI of the Master Deed covers easements and Article VIII reserves in favor of the Developer the right to amend the condominium documents to make immaterial changes therein, to provide for the correction of errors and to comply with the requirements of certain lending institution

B. Percentages of Value. The percentages of value for the individual units in Crystal Shores Condominiums is equal. The percentage of value assigned to each unit determines, among other things, the value of each co-owner's vote and his or her proportionate share of regular and special assessments and of the costs of administration of the project.

C. Project Finances.

1. **Budget.** Article II of the Condominium Bylaws requires the Board of Directors to adopt an annual budget for the operation of the project. The initial budget for the project was formulated by the Developer and is intended to provide an estimate of the normal and reasonably predictable expenses of administration of the project, and includes a reserve for replacement of certain components of the project in the future. Inasmuch as the budget must necessarily be prepared prior to the commencement of operation of the project, it reflects the estimates of expenses made by the Developer based in part on bids and in part upon the estimates of others. To the extent that estimates prove inaccurate during actual operation and to the extent that the goods and services necessary to service the condominium project change in cost in the future, the budget and the expenses of the Association also will require revision. A current or proposed budget of the Association has been included as an attachment to this Disclosure Statement.

2. **Assessments.** Except as set forth below with respect to the Developer, each co-owner of a unit in the project must contribute to the Association in proportion to the percentage of value assigned to the unit(s) owned by him or her to defray expenses of administration. The Board of Directors may also levy special assessments in accordance with the provisions of Article II, Section 3 of the Condominium Bylaws.

3. **Possible Additional Liability.** Pursuant to Section 101 of the Condominium Act, each purchaser is advised of the following possible liability of each co-owner under Section 58 of the Condominium Act:

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

D. Condominium Association Management Contracts. The Condominium Bylaws do not require that the Association employ a professional management agent to manage the affairs of the condominium. The hiring of such an agent is within the discretion of the Association.

E. Insurance.

1. **Title Insurance.** The Purchase Agreements provide that the Developer shall furnish each purchaser with a commitment for an owner's title insurance policy at or prior to closing, and that the policy itself shall be provided within a reasonable time after closing. The cost of the commitment and policy is to be borne by the Developer. Each purchaser should review the title insurance commitment with a qualified advisor of his or her choice prior to closing to

B. At Closing.

1. General. Each cash purchaser will receive, by warranty deed, fee simple title to his or her unit, subject to no liens or encumbrances other than the condominium documents and those other easements and restrictions that are specifically set forth in the condominium documents and title insurance commitment.

2. Application; escrow deposits; release of funds; security; interest; escrow agent; architect or engineer standard of care.

a. Section 103b of the Condominium Act (Michigan Compiled Laws Annotated §559.203b requires that:

(1). This section shall not apply to a business condominium unit.

(2). Deposits in escrow with an escrow agent required under Sections 83 and 84 shall be released pursuant to those sections upon cancellation of a preliminary reservation agreement or withdrawal from a purchase agreement, and in all other cases shall be retained and released pursuant to this section and condominium documents which are not inconsistent with this section.

(3). Except as provided in subsection (5), amounts required to be retained in escrow in connection with the purchase of a unit shall be released to the developer pursuant to subsection (6) only upon all of the following:

(a). Issuance of a certificate of occupancy for the unit, if required by local ordinance.

(b). Conveyance of legal or equitable title to the unit to the purchaser.

(c). Receipt by the escrow agent of a certificate signed by a licensed professional engineer or architect either confirming that those portions of the phase of the project in which the condominium unit is located and which on the condominium subdivision plan are labeled "must be built" are substantially complete, or determining the amount necessary for substantial completion.

(d). Receipt by the escrow agent of a certificate signed by a licensed professional engineer or architect either confirming that recreational or other facilities which on the condominium subdivision plan are labeled "must be built," whether located within or outside of the phase of the project in which the condominium unit is located, and which are intended for common use, are substantially complete, or determining the amount necessary for substantial completion.

(4).

(a). Substantial completion and the estimated cost for substantial completion of the items described in subsections (3)(c) and (d) and in subsection (6) shall be determined by a licensed professional engineer or architect, as provided in subsection (4)(b), subject to the following:

certification by a licensed professional architect or engineer shall not be construed to limit the developer's liability for any defect in construction.

(11). For purposes of this section, "licensed professional engineer or architect" means a member of those professions who satisfies all requirements of the laws of this state for the practice of the profession, and who is not an employee of the developer or of a firm in which the developer or an officer or director of the developer is a principal or holds 10 percent or more of the outstanding shares of that firm.

C. After Closing. Subsequent to the purchase of the unit, relations between the Developer and the co-owner are governed by the Master Deed, except to the extent that any contractual provisions of the Purchase Agreement are intended to survive the closing.

Article VIII.

Purpose of Purchaser Information Booklet

The Developer has prepared this Purchaser Information Booklet in good faith, in reliance upon sources of information believed to be accurate and in an effort to disclose material facts about the project. Each purchaser is urged to engage a competent lawyer or other advisor in connection with his or her decision to purchase a unit. In accepting title to the unit in the condominium project 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 Booklet. The terms used here are defined in the Condominium Act.

The Michigan Department of Commerce has published the Condominium Buyer's Handbook, which the Developer has delivered to you. The Developer assumes no obligation, liability or responsibility as to the statements contained therein or omitted from the Condominium Buyer's Handbook.

The descriptions of the Master Deed and other instruments contained here are summary only and may or may not completely and adequately express the content of the various condominium documents. Each purchaser is referred to the original Master Deed and other original instruments contained in the Purchaser Information Booklet. In accordance with the rules of the Michigan Department of Commerce, legal phraseology, technical terms and terms of art have been minimized and brevity has been the objective to the extent consistent with the purposes of this Disclosure Statement and the rules of the Michigan Department of Commerce.

**Crystal Shores
Condominium Association
Co-owners Rules and Regulations**

Since the inception of Crystal Shores Condominium Association on May 10, 2002 [date], the Board of Directors has adopted many policies and procedures. The following is a summary of the policies and procedures applicable to Co-owners.

I. Buildings, Grounds and Use of Common Elements

A. No signs shall be allowed on common and limited common elements. This includes For Sale signs. Collapsible open-house signs shall be allowed on weekends only.

B. A "For Sale and General Information" display board may be located at the entrance to Crystal Shores Condominiums. All Co-owners are urged to make use of this board by contacting Peter Geloso at (586) 566-1088.

C. Commercial enterprises which generate customer traffic may not be conducted from any unit or common element area without prior written approval from the Board of Directors. Examples would include garage sales and auctions.

D. Requests for all outdoor planting must be submitted in writing for approval by the Board prior to planting.

E. Any damage to common or limited common elements caused by Co-owners or their guests shall not be the responsibility of the Association. All such damages shall be repaired solely at the expense of the Co-owner and within a time frame deemed to be reasonable by the Board of Directors and communicated in writing to the responsible Co-owner. If satisfactory repairs are not made within the specified time, all repair work will be completed upon authorization by the Board of Directors and the Co-owner will be assessed accordingly. Normal wear and tear on common elements and limited common elements is covered by the Association at the discretion of the Board of Directors.

F. Modifications to limited common elements may not be made without prior written approval from the Board of Directors. Co-owners wishing to propose modifications should contact the chairperson of the Building and Grounds Committee for specific details.

G. All garbage left for pickup by the Association's trash disposal service must be contained in plastic trash bags only, except for cardboard boxes and other items too large for a bag. No trash cans or similar receptacles are to be used.

H. The feeding and attraction of wild animals by Co-owners onto common (or limited common) element areas (including all grounds surrounding the condominium buildings) is prohibited. A single bird feeder will be permitted on the grounds adjacent to each unit, provided the responsible Co-owner keeps the area beneath the bird feeder clear of seed or other food likely to attract wild animals. Failure to comply with this regulation may result in the Co-owner being assessed for cost to repair damage to the common elements caused by any wild animals attracted, or for the expense incurred by the Association in cleaning up any unsightly areas.

V. Miscellaneous Policies

A. Rental Policy.

1. Co-owners must notify the Board if their unit has been rented. This notification must be made 7 days *prior* to the renter taking occupancy.
2. A Co-owner need not have the approval of the Board in order to rent his or her unit.
3. A Co-owner must register with the Board the agreement he or she has with the renter. The agreement should include the name(s) of the renter(s) and the number of people living in the unit, as well as any pets.
4. The Co-owner retains full responsibility for paying the Association dues and compliance with all of the established By-laws and policies. The Co-owner must provide a copy of the By-laws and current policies to the renter.
5. The Co-owner shall be responsible for providing the Board of Directors with his or her current address and telephone number.
6. If the information is not in the Board's hands 7 days prior to the renter taking occupancy, a fine in the amount of \$25.00 per day will be levied against the Co-owner. A \$50.00 fine per day will be levied for any subsequent noncompliance with the rental policy.

B. Monthly Association Dues.

1. Association dues are payable the first of each month. Checks should be made payable to and should be sent to 14504 Elrond Drive, Sterling Heights, Michigan 48313.

C. Late Charges Concerning Monthly Association Dues.

1. Late charges are assessed when dues are delinquent. Monthly Association dues are due on the first of each month, and a \$10.00 late charge will be assessed against each Co-owner/unit whose monthly dues payment is not received by the 15th day of the month. An additional \$15.00 late charge will be assessed against the Co-owner/unit on the 25th day of every month after that until the delinquent dues are paid.
2. If a monthly dues payment or other Co-owner assessment is not paid within 30 days after its due date, the Association will place a lien on the unit and foreclose.

D. Returned Checks.

1. Co-owners will be assessed a \$25.00 charge for any non-sufficient funds checks returned unpaid.

residential areas between the hours of 8:00 a.m. and 8:00 p.m. the same day, nor shall it prohibit the operation of a state-licensed motor vehicle in a manner expressly permitted by state law.

Article I-XII.

Crystal Shores Condominium Association Bylaws

Articles I-XII.

Adoption of Condominium Bylaws

Articles I through XII of the Bylaws of Crystal Shores Condominium (here known as the Condominium Bylaws) as attached to the Master Deed and recorded in Liber 902, Pages 166 through 201, Huron County Records, are incorporated by reference and adopted in their entirety as Articles I through XII of the Bylaws of this corporation.

Article XIII.

Members

1. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors. Voting shall be as provided in the Condominium Bylaws. 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 Articles of Incorporation, the Bylaws of the corporation, the Condominium Master Deed or the laws of the State of Michigan.

2. The annual meetings of members of the Association shall be held on the 4th day of July each succeeding year at a time and place determined by the Board of Directors, or on any other day as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XIV of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

3. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by one-third in number of the Co-owners presented to the Secretary of the Association. Notice of any special meeting shall state the time, place and purposes of the meeting. No business shall be transacted at a special meeting except as stated in the notice.

4. 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 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 Section 1.2(e) of the Condominium Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by the member, waive notice, and such waiver when filed in the records of the Association shall be deemed due notice.

8. Before, after or at any meeting of the Board of Directors, any Director may, in writing, waive notice of the meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board of Directors shall be deemed a waiver of notice by the Director of the time and place. 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.

9. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any 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 of the meeting, shall constitute the presence of the Director for the purposes of determining a quorum.

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

Article XV.

Officers

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

2. 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.

3. 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 or her successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

4. The president shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. The President 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 or she may in his or her discretion deem appropriate to assist in the conduct of the affairs of the Association.

Article XVIII.

Amendments

1. These Bylaws (but not the Condominium Bylaws) may be amended by the Association at a duly constituted meeting for such purpose, by an affirmative vote of a simple majority of the Co-owners present in person, by proxy or written vote as such vote is defined in Section 1.2 of the Condominium Bylaws.

2. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third or more in number of the members of the Association whether meeting as members or by instrument in writing signed by them.

3. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of Article XIII of these Bylaws.

4. Any amendment to these Bylaws shall become effective upon adoption of the same in accordance with Section 1 of this Article and without recording in the office of the Register of Deeds.

5. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption.

Article XIX.

Compliance

These Bylaws are set forth to comply with the requirements of Act No. 162 of the Public Acts of Michigan of 1982, as amended, Act No. 59 of the Public Acts of Michigan of 1978, as amended, and with the duly recorded Master Deed of the Condominium and Exhibits A and B attached. In case any of these Bylaws conflict with the provisions of the statute or with the provisions of the Master Deed or the attached Exhibits, the provisions of the statute and the Master Deed shall be controlling.

PETER GELOSO

PATRICIA R. GELOSO

19 DATE 5-3 2002

LIBER 902 PAGE 166

THIS INSTRUMENT BEING THAT THERE ARE NO OTHER INSTRUMENTS OF RECORD AFFECTING THE PROPERTY FOR FIVE YEARS PRECEDING THE DATE OF THIS INSTRUMENT AND THAT THE INSTRUMENT DOES NOT INCLUDE TAXES OR IN THE FUTURE OF THE PROPERTY BY THE

STATE OF MICHIGAN
HURON COUNTY
RECORDED

HURON COUNTY REGISTER
Robert M. Mottali
RE

3 MAY 2002 8:38:18 AM

FRANCES L. HOLDWICK
REGISTER OF DEEDS

MASTER DEED

CRYSTAL SHORES CONDOMINIUMS

This Master Deed is made and executed on April 30, 2002, by Peter Geloso and Patricia R. Geloso, Husband and Wife, ("Developer"), of 14504 Elrond Drive, Sterling Heights, Michigan 48313, in pursuance of the provisions of the Michigan Condominium Act (Act 59 of the Public Acts of 1978, as amended), here referred to as the "Act."

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

The Developer does, upon recording, establish Crystal Shores as a Condominium Project under the Act and does declare that Crystal Shores, (here referred to as the "Condominium," "Project" of the "Condominium Project") shall after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved or in any other manner utilized, subject to the provisions of the Act, and to be covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Master Deed and Exhibits A and B attached here, all of which shall be deemed to run with the land and shall be a burden and a benefit to the Developer, its successors and assigns, and any persons acquiring or owning an interest in the Condominium Premises, and its successors and assigns. In furtherance of the establishment of the Condominium Project, it is provided as follows:

Article I.

Title and Nature

The Condominium Project shall be known as Crystal Shores, Huron County Condominium Subdivision Plan No. 031. The Condominium Project is established in accordance with the Act. The Units contained in the Condominium, including the number, boundaries, dimensions and area of each are set forth completely in the Condominium Subdivision Plan attached here as Exhibit B. Each Unit is capable of individual utilization on account of having its own entrance from and exit to a Common Element of the Condominium Project. Each Co-owner in the Condominium Project shall have an exclusive right to his or her Unit and shall have undivided and inseparable rights to share with other Co-owners the General Common Element of the Condominium Project.

enforceable purchaser interest in land for residential development within Crystal Shores Condominium development as described in the Declaration, whichever is longer.

Section 14. First Annual Meeting. "First Annual Meeting" means the initial meeting at which non-Developer Co-owners are permitted to vote for the election of all Directors and upon all other matters which properly may be brought before the meeting. Such meeting is to be held

(a). In the Developer's sole discretion after fifty (50%) percent of the Units that may be created are conveyed; or

(b). Mandatorily within

(i). Fifty-four (54) months from the date of the first Unit conveyance; or

(ii). One Hundred twenty (120) days after seventy-five (75%) percent of the Units that may be created are conveyed, whichever first occurs.

Section 15. The Condominium Community. "Crystal Shores" shall mean the land area and improvements, from time to time, described as such in the Declaration.

Section 16. Transitional Control Date. "Transitional Control Date" means the date on which the Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible Co-owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

Section 17. Unit or Condominium Unit. "Unit" or "Condominium Unit" each means a single residential building site in Crystal Shores Condominiums, as described here in Article V, Section 1 and on Exhibit B attached here, and shall have the same meaning as the term "Condominium Unit" as defined in the Act. All structures and improvements now or subsequently located within the boundaries of a Unit shall be owned in their entirety by the Co-owner of the Unit within which they are located and shall not, unless otherwise expressly provided in the Condominium Documents, constitute Common Elements.

Whenever any reference here is made to one gender, the same shall include a reference to any and all genders where the same would be appropriate; similarly, whenever a reference is made here to the singular, a reference shall also be included to the plural where the same would be appropriate and vice versa.

Article IV.

Common Elements

The Common Elements of the Project, and the respective responsibilities for maintenance, decoration, repair or replacement, are as follows:

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

(a). *Land.* The land described here in Article II and other common areas, when included as part of the Condominium, not identified as Units or Limited Common Elements. All lands contained within such description shall be and remain a General Common Element of the Condominium subject only to the rights of the Owners of the adjoining land as set forth in the Declaration.

(b). *Electrical.* The electrical transmission system throughout the Project up to, but not including, the electric meter for each residential dwelling that now or hereafter is constructed within the perimeter of a Unit.

(c). *Site Lighting.* Any lights designed to provide illumination for the Condominium Premises as a whole.

(d). *Telephone.* The telephone systems throughout the Project up to the point of connection to each residential dwelling that now or subsequently is constructed within the perimeter of a Unit.

(e). *Gas.* The gas distribution system throughout the Project up to, but not including, the gas meter for each residential dwelling that now or subsequently is constructed within the perimeter or a Unit.

(f). *Water.* The water distribution system throughout the Project up to, but not including, the water meter for each residential dwelling that now or subsequently is constructed within the perimeter of a Unit, including the irrigation system that lies within the Condominium Premises.

(g). *Sanitary Sewer.* The sanitary sewer system throughout the Project up to the point of entry to each residential dwelling that is now or subsequently constructed within the perimeter of a Unit.

owner of the Unit which is served; provided, however, that the exterior appearance of such dwellings and appurtenant Limited Common elements, to the extent visible from any other Unit or Common Element of the Project, shall be subject at all times to the approval of the Association and to reasonable aesthetic and maintenance standards prescribed by the Association in duly adopted rules and regulations.

(b). Responsibility for Portions of Units, Dwellings and Limited Common Elements.

(1). *Roofs, Siding, Painting and/or Staining of Dwelling Exteriors.* The responsibility for, and the costs of maintaining, repairing and replacing roofs and siding, and painting and or staining of the exteriors of the dwellings constructed within the Units, including decks, shall be borne by the owner of each Unit.

(2). *Landscaping.* The individual Unit owners shall be responsible for maintenance, repair and replacement of the lawns and landscaping installed by the owner.

(3). *Driveways.* The individual Unit owners shall be responsible for the maintenance, repair and replacement of driveways appurtenant to each Unit as well as for snow plowing.

(4). *Common Lighting.* The Developer may install illuminating fixtures on the Common Elements and or within Units and designate the same as common lighting as provided here in Article IV, Section 1(c). The costs of maintenance, repair and replacement of such common lighting system and fixtures (including light bulbs) shall be borne by the Association. The Developer may, in its discretion, cause the electricity for such fixtures to be borne by either the Association or Co-owners, as it deems appropriate.

(5). *Other.* In order to provide for flexibility in administering the Condominium, the Association, acting through its Board of Directors, may also undertake such other regularly recurring, reasonably uniform, periodic maintenance functions with respect to improvements constructed or installed within any Limited Common Elements (if any) as it may deem appropriate. Nothing contained here, however, shall compel the Association to undertake any such additional responsibilities. Any additional services undertaken by the Association shall be charged to any affected Co-owner on a reasonably uniform basis and collected in accordance with the assessment procedures established under Article II of the Bylaws. The Developer, in the initial maintenance budget for the Association, shall be entitled to determine the nature and extent of such services and reasonable rules and regulations may be promulgated in connection with those services.

(c). General Common Elements. The cost of maintenance, repair and replacement of all General Common Elements shall be borne by the Association, subject to any provision of the Condominium Documents expressly to the contrary.

Section 2. Easements Retained by Developer.

(a). Roadway Easements. The Developer reserves for the benefit of itself, its successors and assigns, and all future owners of the land described in Article VI or any portion or portions thereof an easement for the purpose of ingress and egress to and from all or any portion of the parcel described in Article VI and which lies outside of this Condominium. All expenses of maintenance, repair, replacement and resurfacing of any shared road shall be paid by the Association.

The Developer reserves the right at any time during the Development and Sales Period, and the Association shall have the right after that, to dedicate to the public a right-of-way of such width as may be required by the local public authority over any or all of the roadways in Crystal Shores Condominiums shown as General Common Elements in 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 the Condominium Subdivision Plan here, recorded in the Huron 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 to effectuate the foregoing right-of-way dedication. Any such dedication shall be subject to rights of dedication and use reserved in the Declaration.

(b). Utility Easements. The Developer also reserves for the benefit of itself, its successors and assigns, and all future owners of the land described in Article VI or any portion or portions of the land, including any land that may be withdrawn from time to time as reserved in Article VII, perpetual easements to utilize, tap, tie into, extend and enlarge all utility mains located in the Condominium, including, but not limited to, water, gas, electrical, telephone, storm and sanitary sewer mains. In the event Developer, its successors or assigns, utilizes, taps, ties into, extends or enlarges any utilities located in the Condominium, it shall be obligated to pay all of the expenses reasonably necessary to restore the Condominium Premises to their state immediately prior to such utilization, tapping, tying-in, extension or enlargement. All expenses of maintenance, repair and replacement of any utility mains referred to in this section shall be shared by this Condominium and any developed portions of the land described in Article VI which are served by such mains. The Co-owners of this Condominium shall be responsible from time to time for payment of a proportionate share of expenses which share shall be determined by multiplying such expenses times a fraction, the numerator of which is the number of Units in this Condominium, and the denominator of which is comprised of the numerator plus all other Units in the land described in Article VI that are served by such mains. The Developer reserves the right at any time during the Development and Sales Period, and the Association shall have the right after that, to grant

the Developer in performing any responsibilities which are required, in the first instance to be borne by any Co-owner, shall be assessed against such Co-owner and shall be due and payable with his or her monthly assessment next falling due; further, the lien for nonpayment shall attach as in all cases a regular assessments and such assessments 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 imposition of fines.

Section 5. Telecommunications Agreements. 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 such easements, licenses and other rights of entry, use and access and to enter into any contract or agreement, including wiring agreements, right-of-way agreements, access agreements and multi-unit agreements and, to the extent allowed by law, contracts for sharing of any installation or periodic subscriber service fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Project or any Unit in the project. Included within and not limited by the preceding is the right of the Developer or an affiliate to establish and sell to the Association and the Co-owners service for telecommunications within the Condominium Project. In pursuance, the Developer may place telecommunications equipment owned by it at locations on the Common Elements as it may deem appropriate and may furnish the telecommunications service to users outside the Condominium and shall have easements as may be necessary to lay and maintain cables within the Common Elements in connection telecommunications. 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 feeds, if any, for the privilege of installing same or sharing periodic subscriber service fees, shall be receipts affecting the administration of the Condominium Project within the meaning of the Act and shall be paid over to and shall be the property of the Association.

Article VII.

Amendment

This Master Deed and the Condominium Subdivision Plan may be amended with the consent of 66 2/3; percent of the Co-owners, except as set forth below:

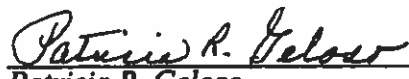
Association. Any such assignment or transfer shall be made by appropriate instrument in writing duly recorded in the office of the Huron County Register of Deeds.

Executed in the presence of:


Thomas P. Collon


Peter Geloso


Gloria A. De Chane


Patricia R. Geloso

State of Michigan
County of Huron

The foregoing instrument was acknowledged before me this 30th day of April, 2002,
by Peter Geloso and Patricia R. Geloso.


Thomas P. Collon, Notary Public
Huron County, Michigan
My commission expires: 10/6/2004.

Drafted by:

THOMAS P. COLLON
ATTORNEY AT LAW
206 North Heisterman Street
Bad Axe, Michigan 48413
(989) 269-9276

designated may be changed by the Co-owner at any time by filing a new notice in the manner provided here.

(f). There shall be an annual meeting of the members of the Association. Other meetings may be provided for in the Bylaws of the Association. Notice of time, place and subject matter of all meetings, as provided in the Bylaws of the Association, shall be given to each Co-owner by mailing the same to each individual representative designated by the respective Co-owners.

(g). The presence in person or by proxy of fifty (50) percent of the Co-owners qualified to vote shall constitute a quorum, for holding a meeting of the members of the Association, except for voting on questions specifically required here to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting that person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast. All decisions of the Association shall be by a majority of the quorum, except as specifically provided here.

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

(i). A majority, except where otherwise provided here, shall consist of more than fifty (50) percent of those qualified to vote and present in person or by proxy (or by written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically here, a majority may be required to exceed the simple majority set forth above.

(j). Other provisions as to voting by members, not inconsistent with the provisions here contained, may be set forth in the Association Bylaws.

(k). The method or formula used to determine the percentage of value of units in the project for other than voting purposes, and any provisions relating to the ability or terms under which a co-owner may rent a unit, may not be modified without the consent of each affected co-owner and Mortgagee. A co-owner's condominium unit dimensions or appurtenant limited common elements may not be modified without the co-owner's consent.

Section 1.3. Accounting. The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their Mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The Association also shall maintain on file current copies of the Master Deed for the Project, any amendments and all other Condominium Documents and shall permit all Co-owners, prospective purchasers and prospective Mortgagees interested in the Project to inspect the same during reasonable hours.

(b). The Board of Directors may employ for the Association a professional management agent at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 1.4(a) of these Bylaws, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by the Board, or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other similar person or entity, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon ninety (90) days written notice to the other party and no such contract shall violate the provisions of Section 55 of the Act.

(c). All of the actions (including, without limitation, the adoption of these Bylaws and any Rules and Regulations for the corporation, and any undertakings or contracts entered into with others on behalf of the corporation) of the first Board of Directors of the Association named in its Articles of Incorporation or any successors elected by the Developer shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the members of the Association at the first or any subsequent annual meeting of members so long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the Condominium Documents.

Section 1.5. Officers. The Association Bylaws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to officers of the Association in furtherance of the provisions and purposes of the Condominium Documents and not inconsistent with those documents. Officers may be compensated but only upon the affirmative vote of more than fifty (50) percent of all Co-owners in value.

Section 1.6. Indemnification. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except in such cases where the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his or her duties; provided that, in the event of any claim for reimbursement or indemnification based upon a settlement by the director or officer seeking reimbursement or indemnification, the indemnification here shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The preceding right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners.

Section 1.7. Advisory Committee. An Advisory Committee of two (2) non-Developer Co-owners shall be established within either one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of 33 1/3 percent of the Units that may be created here, or within one year after the initial conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, whichever first occurs. The purpose of the

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

Section 2.3. Amount of Assessments. Assessments shall be determined in accordance with the following provisions:

(a). The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis must be established in the budget and must be funded by regular monthly payments as set forth in Section 2.4 below rather than by special assessments. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon the budget, although the delivery of a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessments. Should the Board of Directors, at any time determine, in the sole discretion of the Board of Directors:

(1). That the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium;

(2). To provide replacements of existing Common Elements;

(3). To provide additions to the Common Elements not exceeding \$2,000 annually; or

(4). In the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem necessary.

(b). Special assessments, in addition to those required in (a) above may be made by the Board of Directors from time to time and approved by the Co-owners as here provided to meet other needs or requirements of the Association, including, but not limited to

(1). Assessments for capital improvements for additions of a cost exceeding \$2,000 per year;

(2). Assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 2.6 here;

(3). Assessments for any other appropriate purpose not elsewhere here described.

Special assessments referred to in this Subparagraph (b) (but not including those assessments referred to in Subparagraph 2.3(a) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than 60 percent of all Co-owners in value. The authority to levy assessments pursuant to this Subparagraph is solely for the benefit of the Association and of the members there and shall not be enforceable by any creditors of the Association or of the members there.

nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit. Notwithstanding the preceding, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of 10 days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or her last known address of a written notice that one or more installments of the annual assessment or any special assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within 10 days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that set forth

- (i). The affiant's capacity to make the affidavit;
- (ii). The statutory and other authority for the lien;
- (iii). The amount outstanding (exclusive of interest, costs, attorney fees and future assessments);
- (iv). The legal description of the subject Unit(s); and
- (v). The name(s) of the Co-owner(s) of record.

Such affidavit shall be recorded in the Office of the Register of Deeds in the county in which the Project is located prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the 10-day period, the Association may take such remedial action as may be available to it or under Michigan law. The expenses incurred in collecting unpaid assessments, including interest, costs, actual reasonable attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit. In the event of default by any Co-owner in the payment of any installment of the annual assessment or any special assessment levied against his or her Unit, the Association shall have the right to declare all unpaid installments of the assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a Co-owner in default upon seven days' written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the general Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner or any persons claiming under the Co-owner.

Section 2.7. Effect on Mortgage Lien. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a pro-rata share of such assessments or charges resulting from a pro-rata reallocation of such unpaid assessments or charges to all Units including the mortgaged Unit).

Section 3.3. Election. Election by Co-owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

Article IV.

Insurance

Section 4.1. Extent of Coverage. The Association shall, to the extent appropriate in light of the nature of the general common elements of the Project, carry liability insurance, if applicable, and any other insurance the Association may deem applicable, desirable or necessary, and pertinent to the ownership, use and maintenance of the Common Elements and administration of the Condominium Project. Each owner shall be obligated and responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to buildings and all other improvements constructed or to be constructed within the perimeter of a condominium unit and its appurtenant Limited common Elements, and for personal property located therein or thereon or elsewhere on the Condominium Project. Each Co-owner shall also be obligated to obtain insurance coverage for personal liability for occurrences within the perimeter of the Co-owner's Unit and appurtenant Limited Common Elements. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage required to be carried by a Co-owner. All premiums for insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

Section 4.2. Indemnification. Each individual Co-owner shall indemnify and hold harmless every other Co-owner, the Developer and the Association from all damages and costs, including attorneys' fees, which they may suffer as a result of defending any claim arising out of an occurrence on or within such Co-owner's Unit or appurtenant Limited Common Element, and each individual Co-owner shall carry insurance to secure this indemnity. This section shall not be construed to give any insurer any subrogation right or other right or claim against any individual Co-owner, however, and the Association and all Co-owners shall use their best efforts to cause all property and liability insurance carried by them to contain appropriate provisions where the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

Article V.

Reconstruction or Repair

Section 5.1. Reconstruction. If the Condominium project or any of its Common Elements are destroyed or damaged, in whole or in part, and the proceeds of any policy insuring the same and payable by reason of are sufficient to reconstruct the Project, then such proceeds shall be applied to such reconstruction. As used here, reconstruction means restoration of the Project in accordance with the Master Deed and the plans and specifications for the Project to a condition as comparable as possible to the condition existing prior to the damage, unless the Co-owners and Mortgagees shall unanimously decide otherwise. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair, or if at any time during such reconstruction or repair the funds for the payment of the cost are insufficient, assessment shall be made against all Coowners for the costs of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay for the costs of reconstruction or repair. If damage to

Article VI.

Restrictions

Section 6.1. Residential Purposes. No Unit in the Condominium shall be used for other than single family residential purposes.

Section 6.2. Character and Size of Buildings.

(a). No residence shall be permitted on any Unit which does not comply with the following minimum area requirements, exclusive of garage spaces, space within un-winterized porches and decks, and space within basements which do not contain exterior door openings and windows on at least two walls, substantially equivalent to those on other floors.

- (1). One story ranch home: 1,300 square feet.
- (2). One and a half story construction: 1500 square feet.
- (3). Two story construction: 1600 square feet on the first floor.

(b). All construction of any residence shall be completed within 12 months after commencement. The construction of any new residence or the repair of any residence damaged by fire or otherwise shall be completed as rapidly as possible and should the owner leave such building in an uncompleted condition for a period of more than one year, then the Developer or the Association or their agents or assigns are authorized to either tear down and clear from the Unit the uncompleted portion of such structure or to complete the same, at their option, and in either event, the expense incurred shall be charged against the owner's interest and shall become a lien on the Unit upon which the residence is located; subject to collection or enforcement in the same manner set forth in Section 2.6, above.

(c). Temporary buildings of any kind are expressly prohibited and temporary residence or occupancy shall not be permitted without a fully completed exterior of the residence being occupied.

(d). No old or used buildings of any kind shall be moved or reconstructed on any Unit. All residences to be constructed shall have finished exteriors of brick, stone, stucco or similar type materials, wood, or, aluminum or vinyl siding or a combination thereof.

(e). All sewage shall be disposed of through the Village of Caseville sanitary sewer system as shall be approved by the Huron County Health Department and authorities of the Michigan State Health Department.

Section 6.3. Activities on Property.

(a). No portion of the Project shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept, except in sanitary containers properly concealed from public view.

(b). No immoral, improper, unlawful or offensive activities shall be conducted on any Unit, nor shall anything be done which may be or become an annoyance or nuisance to the

Project by the Developer. The Developer shall restore any areas so utilized to a suitable status upon termination of its use.

Section 6.9. Leasing. With the written consent of the Board of Directors, a Co-owner may lease his or her Unit or any Limited Common Element appurtenant there for the same purposes set forth in Section 6.1 of these Bylaws, except that no Co-owner shall lease less than an entire Unit in the Condominium. 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, or the Association, to the extent of any Units owned by the Association, may lease any number of Units in the Condominium in their discretion and may do so for periods which shall also be within their discretion.

Section 6.10. Landscaping. No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon any General Common Elements, unless approved by the Board of Directors in writing.

Section 6.11. Improvements or Modifications to Condominium Unit or Common Elements by Co-owner; Facilitation of Access or Movement for Handicappers; Limitations.

(a). Section 47a of the Condominium Act states:

(1). A co-owner may make improvements or modifications to the co-owner's condominium unit, including improvements or modifications to common elements and to the route from the public way to the door of the co-owner's condominium unit, at his or her expense, if the purpose of the improvement or modification is to facilitate access to or movement within the unit for handicappers, or to alleviate conditions that could be hazardous to handicappers. The improvement or modification shall not impair the structural integrity of a structure or otherwise lessen the support of a portion of the condominium project. The coowner shall be liable for the cost of repairing any damage to a common element caused by building or maintaining the improvement or modification, unless the damage could reasonably be expected in the normal course of building or maintaining the improvement or modification. The improvement or modification may be made notwithstanding prohibitions and restrictions in the condominium documents, but shall comply with all applicable state and local building code requirements and health and safety laws and ordinances and shall be made as closely as reasonably possible in conformity with the intent of applicable prohibitions and restrictions regarding safety and aesthetics of the proposed modification.

(2). An improvement or modification allowed by this section that affects the exterior of the condominium unit shall not unreasonably prevent passage by other residents of the condominium project. A co-owner who has made exterior improvements or modifications allowed by this section shall notify the association of co-owners in writing of the co-owner's intention to convey or lease his or her condominium unit to another, not less than 30 days before the conveyance or lease. Not more than 30 days after receiving a notice from a co-owner under this subsection, the association of co-owners may require that the co-owner remove the improvement or modification, at the co-owner's expense. If the co-owner fails to give timely notice of a conveyance or lease, the association of co-owners at any time may remove or require the co-owner to remove the improvement or modification, at the co-owner's expense. However, the association of co-owners may not remove or require the removal of an improvement or modification if a co-owner conveys or leases his

Article VII.

Mortgages

Section 7.1. Notice of Mortgage. Any Co-owner who mortgages his or her Unit shall notify the Association of the name and address of the Mortgagee. The Association may, at the written request of a Mortgagee of any Unit, report any unpaid assessments due from the Co-owner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Coowner of such Unit with respect to the Condominium Documents that is not cured within 60 days.

Section 7.2. Notice of Meeting. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

Article VIII.

Amendments

Section 8.1. Amendments. The Bylaws may be amended, altered, changed, added to or repealed only in the manner set forth in Article VIII of the Master Deed of Crystal Shores Condominiums.

Section 8.2. Meeting. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of the Association Bylaws.

Section 8.3. Vote Required. Except as expressly limited in Section 8.4 of these Bylaws, these Bylaws may be amended by the Association at any regular annual meeting, or a special meeting called for such purpose, by an affirmative vote of not less than 60 percent of all Co-owners present or represented at such meeting.

Section 8.4. Effective Date of Amendments. Any amendment to these Bylaws (but not the Association Bylaws) shall become effective upon recording of such amendment in the Office of the Register of Deeds in the county where the Condominium is located. Without the prior written approval of all institutional holders of first mortgage liens on any Unit in the Condominium, no amendment to these Bylaws shall become effective which substantially increases or decreases the benefits or obligations or materially affects the rights of any member of the Association or of any such holder of a first mortgage lien on any Unit.

Section 8.5. Copies of Amendments. A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project irrespective of whether such persons actually receive a copy of the amendment.

Section 4, and an opportunity for such Co-owner to appear before the Board no less than 7 days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws. The amount of such fines shall be as established by the Association.

Section 11.2. No Waiver. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provision, covenant or condition in the future.

Section 11.3. No Election of Rights. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to constitute an election of remedies, not shall it preclude any party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Article XII.

Severability

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

Crystal Shores Condominium Association Meeting Issues – July 4, 2005

The Crystal Shores Condominium Association meeting will be held on July 4, 2005 at 10:00am beginning in the garage of Frank Bologna (Lot # 8). We'll walk the grounds during discussion starting at the front of the development and end on the beach. Main topics of discussion will be:

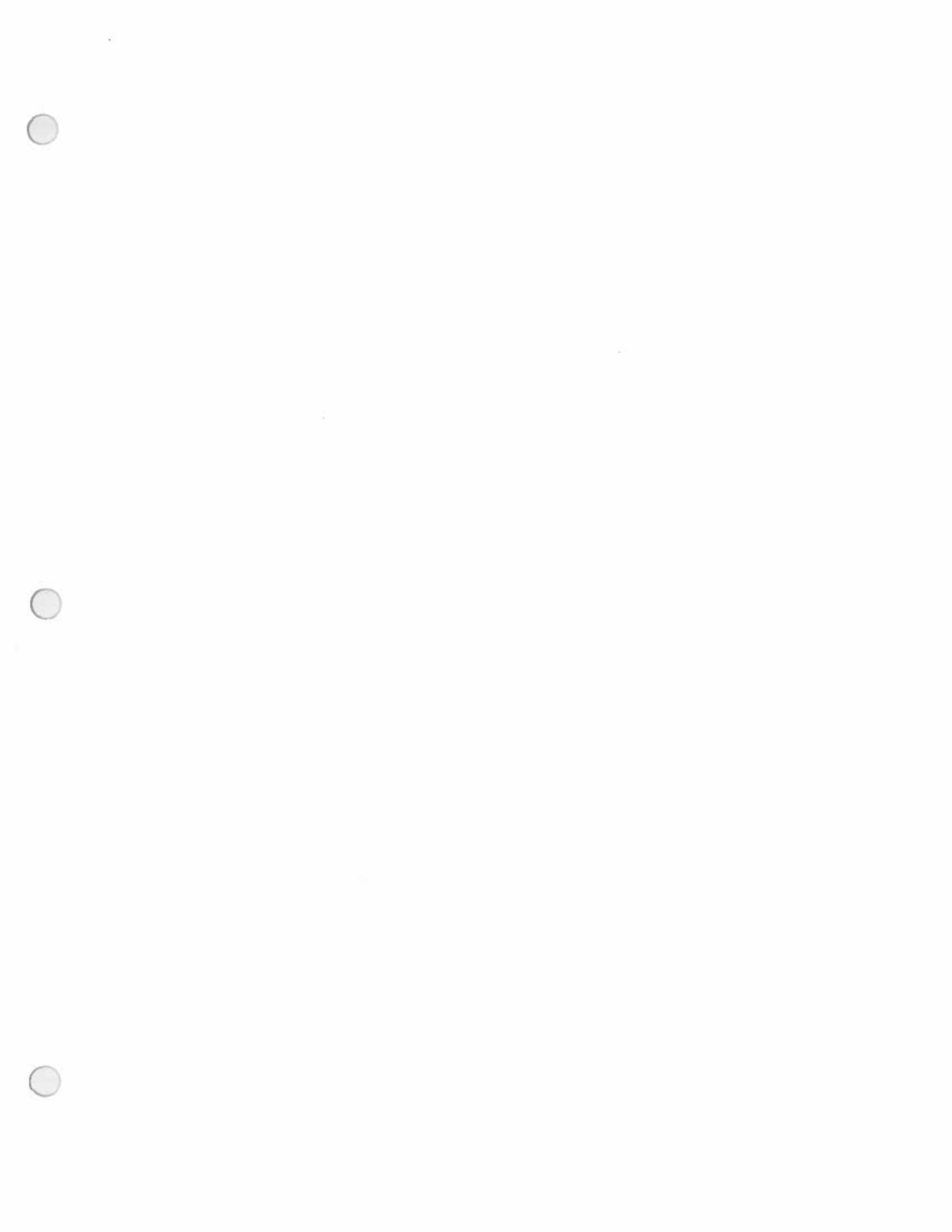
- **Liability Insurance:**
 - Copy of policy will be available for review.
 - Sign pointing to beach must fall within the guidelines of what is specified by the Caseville Township for insurance purposes.
- **Drain Tile:**
 - The drain tile that runs the length of the easement originating from the property on the south side of the Crystal Shores Development has been severed. The homeowner would like us to discuss lack of drainage from our development, which is causing issues on his property.
 - Drainage from gutters onto the easement from home on south side of the development.
- **Easement leading to the beach:**
 - Property stakes have been placed along the south side of the easement. The owner to the south plans to place a retaining wall on the side of the Crystal Shores easement. Review easement perimeter.
 - Discussion of gate for end of easement.
- **Beach Discussion:**
 - Application for 9' sand bridge from easement to water.
 - Sand bridge permits and use of sand bridges.
 - Discussion of beach easement.
 - Discussion regarding the maintenance of the easement and common elements from the easement to the water (i.e. spreading the work load).
- **Additions/Changes recommended in last meeting to the By-laws (Do we move forward-Any objections?):**
 - **Fires:** No fires on the sand of the beach. Fires can occur on the beach in a portable fire pit that is to be removed by the end of the night.
 - **Boat Launches:** No permanent, portable or temporary boat launches or stands. Boats and watercraft to be launched from the marina. No watercraft to be beached overnight.
 - **ATV:** No gas vehicles on the easements or beach area. Battery operated vehicles only. This includes snowmobiles.
 - **Dogs:** Two dogs per residence rather than one.

Crystal Shores Condominium Association Meeting Issues – July 4, 2005

- **Storage:** No storage of boats, recreational vehicles, trailers, cars or other items considered eyesores within the Crystal Shores Development.

- **Non-Resident to North Side of Development:**
 - Further discussion regarding cement added to driveway and use of Crystal Shores Association driveway.

Hopefully everyone can attend!!!



Article IX.

Compliance

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

Article X.

Definitions

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

Article XI.

Remedies for Default

Section 11.1. Remedies. Any default by a Co-owner shall entitle the Association or another Co-owner of Co-owners to the following relief:

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

(b). If any proceeding arising because of an alleged default by any Co-owner is successful, the Association shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the Court, but in no event shall any Co-owner be entitled to recover such attorneys' fees.

(c). The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents.

(d). The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless Rules and Regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner as prescribed in Article XIII, Section 4 of the Association Bylaws. After that, fines may be assessed only upon notice to the offending Co-owners as prescribed in said Article XIII,

or her condominium unit to a handicapper who needs the same type of improvement or modification, or to a person whose parent, spouse or child is a handicapper, requires the same type of improvement or modification, and resides with the person.

(3). If a co-owner makes an exterior improvement or modification allowed under this section, the co-owner shall maintain liability insurance, underwritten by an insurer authorized to do business in this state, in an amount adequate to compensate for personal injuries caused by the exterior improvement or modification, but the co-owner shall not be liable for acts or omissions of the association of co-owners with respect to the exterior improvement or modification, and the co-owner shall not be required to maintain liability insurance with respect to any common element. The association of co-owners shall be responsible for the cost of any maintenance of the improvement or modification, unless the maintenance cannot reasonably be included with the regular maintenance performed by or paid for by the association of co-owners, in which case the co-owner shall be responsible for the cost of the maintenance of the improvement or modification.

(4). Before an improvement or modification allowed by this section is made, the co-owner shall submit plans and specifications for the improvements or modifications to the association of co-owners for review and approval. The association of co-owners shall determine whether the proposed improvement or modification substantially conforms to the requirements of this section, but shall not deny a proposed improvement or modification without good cause. If the association of co-owners denies a proposed improvement or modification, the association of co-owners shall list, in writing, the changes needed to make the proposed improvement or modification conform to the requirements of this section, and shall deliver that list to the co-owner. The association of co-owners shall approve or deny the proposed improvement or modification not later than 60 days after the plans and specifications are submitted to the association of co-owners. If the association of co-owners does not approve or deny submitted plans and specifications within the 60-day period, the co-owner may make the proposed improvement or modification without the approval of the association of co-owners. A co-owner may bring an action against the association of co-owners, and the officers and directors to compel those persons to comply with this section if the co-owners disagrees with a denial by the association of co-owners of the co-owner's proposed improvement or modification.

(5). This section applies to condominium units existing on the effective date of this section and to those built or converted after the effective date of this section.

(6). This section does not apply to a condominium unit that is otherwise required by law to be barrier-free, and does not impose on a co-owner the cost of maintaining that barrier-free unit.

(7). As used in this section, "handicapper" means that term as defined in Section 2 of the state construction code act of 1972, Michigan Public Acts 230 (1972), being Michigan Compiled Laws Annotated §125.1502.

neighborhood or adjoining residences, nor shall any unreasonably noisy activity be conducted on any portion of the Project.

(c). A developer or association of co-owners shall not prohibit co-owner from displaying a single United States flag of a size not greater than 3 feet by 5 feet anywhere on the exterior of the co-owner's condominium unit. A developer or association of co-owners shall not enforce a prohibition in existence before the effective date of this section on or after that effective date.

Section 6.4. Conservation. In the development or use of the Project, the following standards shall be observed:

Upon the completion of the residence on any Unit, the owner of such Unit shall cause it to be finish-graded and seeded, sodded or returned to a condition as close as possible to its natural state as soon after completion as weather permits. All landscaping shall be of an aesthetically pleasing nature and shall be maintained at all times. Basic landscaping, including finished grading and installation of driveways must be completed within six months of the date of occupancy of a residence.

Section 6.5. Building Set-Backs. All dwellings constructed on each Unit within the Project shall be erected according to the site plan, attached hereto as Exhibit B.

Section 6.6. Regulations. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association. Copies of all such regulations and amendments shall be furnished to all Co-owners and shall become effective thirty days after mailing or delivery to the designated voting representative of each Co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than 50 percent of all Co-owners in value.

Section 6.7. Responsibility for Actions. Each Co-owner shall maintain his or her Unit and any Limited Common Elements appurtenant there for which he or she has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him or her, his or her assigns, tenants, agents, invitee or licensees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II of these Bylaws.

Section 6.8. Reserved Rights of Developer. None of the restrictions contained here shall apply to the commercial activities or signs, if any, of the Developer during the period of sale of any Units in the Project. Notwithstanding anything to the contrary elsewhere contained here, Developer shall have the right to maintain a sales office, a business office, a construction office and model Units, storage areas and reasonable parking for the foregoing and such access to and from and into the Project as may be reasonably required to enable development of the entire

the General Common Elements adversely affects the appearance or utility of the Project, the Association shall proceed with repair or replacement of the damaged property without delay. Each Co-owner shall be responsible for all maintenance, repair and replacement required within his or her Unit or the Limited Common Elements appurtenant there.

Section 5.2. Eminent Domain. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

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

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

(c). In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of 100 percent. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval by any Co-owner, but only with the prior written approval of all holders of first mortgage liens on individual Units in the Project.

(d). In the event any Unit in the Condominium, or any portion thereof, or the Common Elements or any portion there, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 5.3. Priority. Nothing contained in the Condominium Documents shall be construed to give a Condominium Unit Owner, or any other party, priority over any rights of first Mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Condominium Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

Section 2.8. Obligations of Developer. Until such time as the regular monthly assessments paid by Co-owners other than the Developer shall be sufficient to support the total costs of administration (excluding reserves), the Developer shall pay the balance of such administrative costs on account of the Units owned by it, whether constructed or not.

After the time at which 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 which are directly attributable to the Units owned by the Developer, together with a pro-rata share of costs of administration (other than costs attributable to the maintenance of dwellings), such as legal fees, accounting fees, liability insurance premiums and maintenance of the landscaping, drives and walks. Provided, that if a Unit owned by Developer is leased or otherwise occupied on a permanent basis by a person holding under or through the Developer, the Developer shall pay all regular monthly assessments with respect to such Unit forthwith.

Section 2.9. Statement Regarding Assessments. Pursuant to the provisions of the Act, the Purchaser of any Condominium Unit may request a statement of the Association as to the outstanding amount of any unpaid Association assessments, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the Purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated there. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a Purchaser to request such statement at least five days prior to the closing of the purchase of such Unit, shall render any unpaid assessments and the lien securing same, fully enforceable against such Purchaser and the Unit itself, to the extent provided by the Act. Unpaid assessments shall constitute a lien upon the Unit and the proceeds of sale, which shall be prior to all claims except real property taxes and first mortgages of record.

Section 2.10. Construction Liens. A construction lien arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

Article III.

Arbitration

Section 3.1. Arbitration. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association, be submitted to arbitration and the parties shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time shall be applicable to any such arbitration.

Section 3.2. Legal Action. In the absence of the election and written consent pursuant to Section 3.1, no Co-owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

Section 2.4. Apportionment. All assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed without increase or decrease for the existence of any rights to the use of limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with Article II, Section 2.3(a) above, shall be payable by Co-owners in four equal quarterly installments or twelve monthly installments], as determined by the Association, commencing with acceptance of a deed to a Unit, with acquisition of fee simple title to a Unit by any other means, or upon execution of a land contract by which a Unit is purchased from Developer. The payment of an assessment shall be in default if such assessment, or any part of the assessment, is not paid to the Association in full on or before the due date for such payment. Assessments in default for 10 or more days shall bear interest from the initial due date at the highest legal rate until each installment is paid in full. Each Coowner (whether one or more persons) shall be, and remain, personally liable, both jointly and severally, for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment, including reasonable attorney's fees) pertinent to his or her Unit which may be levied while such Coowner is the owner of, except a land contract purchaser from Developer shall be so personally liable and Developer shall not be personally liable for such assessments levied up to and including the date upon which Developer actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, the cost of collection and enforcement of payment, including reasonable attorney's fees; second, to any interest charges and fines for late payment on such assessments; and third, to installments in default in order of their due dates. Notwithstanding the preceding, any unusual common expenses benefiting less than all of Condominium Units, or any unusual expenses incurred as a result of a use being conducted within a Condominium Unit by a Coowner, licensee, lessee or invitee, may be specially assessed or apportioned against the Condominium Unit or Units involved in a reasonable manner and in accordance with any provisions of the Act.

Section 2.5. No Exemption. No Coowner may exempt himself or herself from liability for his or her contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his or her Unit.

Section 2.6. Collection of Assessments. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. Each Coowner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated here by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Coowner and every other person who from time to time has any interest in the Project, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Coowner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he or she was notified of the provisions of this section and that he or she voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for

Advisory Committee shall be to facilitate communications between the Developer and the non-Developer Co-owners and aid in the transition of control to the Association of Co-owners. The Advisory Committee shall cease to exist when a majority of the Board of Directors of the Association of Co-owners is elected by the non-Developer Co-owners.

Section 1.8. Non-Developer Directors.

(a). Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 25 percent of the Units that may be created, at least one Director and not less than 25 percent of the Board of Directors of the Association shall be elected by non-Developer Co-owners.

(b). Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 50 percent of the Units that may be created, not less than one 33 1/3 percent of the Board of Directors shall be elected by non-Developer Co-owners.

(c). Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 75 percent of the Units that may be created, and before conveyance of 90 percent of such Units, the non-Developer Co-owners shall elect all of the Directors on the Board, except that the Developer shall have the right to designate at least one Director, as long as the Developer owns and offers for sale at least one Unit in the Project or as long as one of the Units that may be created remain unsold.

(d). Notwithstanding the preceding, 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 not less than seventy-five percent of the Units that may be created has not been conveyed, the non-Developer Co-owners have the right to elect the number of members of the Board of Directors equal to the percentage of Units the non-Developer Co-owners hold, and the Developer shall have the right to elect the number of members of the Board equal to the percentage of the Units which are owned by the Developer and for which all assessments are paid by the Developer. This section shall not require a change in the size of the Board of Directors as is determined by the Association Bylaws. The provisions of Section 52(4) and Section 52(6) of the Act shall also be applicable to this, Section 1.8, and shall be incorporated here by reference.

Article II.

Assessments

Section 2.1. Personal Property Taxes. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based there shall be treated as expenses of administration.

Section 2.2. Liabilities and Insurance Receipts. Taxes and special assessments which become a lien against the Condominium Project in the year of establishment shall be considered expenses of administration. All costs incurred by the Association in satisfaction of any liability arising within, caused by or connected with the Common Elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, a policy of insurance securing the

Section 1.4. Board of Directors. The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation and who must be members of the Association. The number, terms of office, manner of election, removal and replacement, meetings, quorum and voting requirements, and other duties or provisions of or relating to directors, not inconsistent with the following, shall be provided by the Association Bylaws.

(a). The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by State law or the Condominium Documents or required there to be exercised and done by the Co-owners. In addition to the preceding general duties imposed by these Bylaws, or any further duties which may be imposed by resolution of the members of the Association or which may be set forth in the Association Bylaws, the Board of Directors shall be responsible specifically for the following:

(1). Management and administration of the affairs of and maintenance of the Condominium Project and the Common Elements.

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

(3). To carry insurance and collect and allocate the proceeds.

(4). To rebuild improvements after casualty.

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

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

(7). To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, security interest or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of more than two-thirds (2/3) of all of the members of the Association.

(8). To make rules and regulations in accordance with Article VI, Section 6.6 of these Bylaws.

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

(10). To enforce the provisions of the Condominium Documents and rules and regulations made in accordance with Article VI.

Exhibit A.**Condominium Bylaws
Crystal Shores Condominiums****Article I.****Association of Co-owners**

Section 1.1. Association. Crystal Shores Condominiums, a Site Condominium Project located in the County of Huron, Michigan, shall be administered by an Association of Co-owners, which shall be a nonprofit corporation, here called the "Association," and which shall be organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, Bylaws and duly adopted Rules and Regulations of the Association, and the laws of the State of Michigan. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit or the Common Elements shall be subject to the provisions and terms set forth in the Condominium Documents.

Section 1.2. Membership and Voting. Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:

(a). Each Co-owner shall be member of the Association and no other person or entity shall be entitled to membership.

(b). The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his or her Unit in the Condominium.

(c). Except as limited in these Bylaws, each Co-owner shall be entitled to one (1) vote for each Condominium Unit owned, the value of which shall equal the total of the percentages allocated to the Unit owned by such Co-owner as set forth in Article V of the Master Deed. Voting on all Association matters shall be by value.

(d). No Co-owner shall be entitled to vote at any meeting of the Association until he or she has presented evidence of ownership of a Unit in the Condominium Project to the Association. The vote of each Co-owner may be cast by the individual representative designated by such Co-owner in the notice required in Subparagraph (e) below or by a proxy given by such individual representative.

(e). Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name and address of the individual representative designated, the number of the Condominium Unit or Units owned by the Co-owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner. The individual representative

Section 1. Modification of Units or Common Elements. No Unit dimension may be modified in any material way without the consent of the Co-owner and Mortgagee of such Unit nor may the nature or extent of Limited Common Elements or the responsibility for maintenance, repair or replacement of the Limited Common Elements be modified in any material way without the written consent of the Co-owner and Mortgagee of any Unit to which the same are appurtenant.

Section 2. Mortgagee Consent. Whenever a proposed amendment would materially alter or change the rights of Mortgagees generally, then such amendments shall require the approval of 66 2/3; percent of all first Mortgagees of record allocating one vote for each mortgage held.

Section 3. By the Developer. Pursuant to Section 90(1) of the Act, the Developer reserves the right, on behalf of itself and on behalf of the Association, to amend this master Deed and the other Condominium Documents without the approval of any Co-owner or Mortgagee for the purposes of correction survey or other errors and for any other purpose unless the amendment would materially alter or change the rights of a Co-owner or Mortgagee, in which event Co-owner and Mortgagee consent shall be required as provided above.

Section 4. Change in Percentage of Value. The value of the vote of any Co-owner and the corresponding proportion of common expenses assessed against such Co-owner shall not be modified without the written consent of such Co-owner and his or her Mortgagee, nor shall the percentage of value assigned to any Unit be modified without like consent, except as provided in Article IX of this Master Deed, elsewhere in the Master Deed or in the Bylaws.

Section 5. Termination, Vacation, Revocation or Abandonment. The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of the Developer and 80 percent of non-Developer Co-owners.

Section 6. Developer Approval. During the Development and Sales Period, this Master Deed and Exhibits A and B attached here shall not be amended nor shall their provisions be modified in any way without the written consent of the Developer.

Article VIII.

Assignment

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the power to approve or disapprove any act, use or proposed action or any other matter or thing, may be assigned by it to any other entity or to the

easements for utilities over, under and across the Condominium to appropriate governmental agencies or to utility companies. Any easement or transfer of title may be conveyed 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 the Exhibit B attached here, recorded in the Huron 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 amendments to this Master Deed as may be required to effectuate the foregoing grant of easement or transfer of title. All such grants shall be subject to rights reserved in the Declaration.

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

Section 4. Association and Developer Easements for Maintenance, Repair and Replacement. The Developer, the Association and all public or private utilities shall have such easements over, under, across and through the Condominium Premises, including all Units and Common Elements, as may be necessary to fulfill any responsibilities of maintenance, repair, decoration, replacement or upkeep which they or any of them are required or permitted to perform under the Condominium Documents or by law or to respond to any emergency or common need of the Condominium. These easements include, without any implication of limitation, the right of the Association to obtain access during reasonable hours and upon reasonable notice to water meters, sprinkler controls and valves and other Common Elements located within any Unit or its appurtenant Limited Common Elements. Neither the Developer nor the Association shall be liable to the Owner of any Unit or any other person, in trespass or in any other form of action, for the exercise of rights pursuant to the provisions of this section or any other provisions of the Condominium Documents which grant such easements, rights of entry or other means of access. Failure of the Association (or the Developer) to take any such action shall not be deemed a waiver of the Association's (or the Developer's) right to take any such action at a future time. Further, the Association shall not be responsible for any consequential damages, including without limitation damage to the personal property of a Co-owner whether within or outside the Unit, that may result from the Association's failure to timely undertake repairs for which it is responsible. In the event a Co-owner fails to maintain his or her residential dwelling as required under the Condominium Documents and in accordance with the standards imposed by the Association, the Association or the Developer may enter upon the Unit (but not inside the dwelling) and the Limited Common Element appurtenant to the unit (if any) and perform any required decoration, maintenance, repair or replacement. All costs incurred by the Association or

Section 4. Use of Units and Common Elements. No Co-owner shall use his or her Unit or the Common Elements in any manner inconsistent with the purposes of the Project or in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of his Unit or the Common Elements.

Article V.

Unit Descriptions and Percentage of Value

Section 1. Description of Units. Each Unit in the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan of Crystal Shores as prepared by Phillips Engineering and attached here as Exhibit B. Each Unit shall consist of the space contained within Unit boundaries as shown in Exhibit B attached here and delineated with heavy outlines. The vertical boundaries of the Units may vary from time to time to accommodate changes in grade elevations. Accordingly, the Developer or, upon assignment, the Association shall have the right, in its sole discretion, to modify the Condominium Subdivision Plan to depict actual ground elevations and Unit boundaries. Even if no such amendment is undertaken, easements for maintenance of structures that encroach on Common Elements have been reserved in Article X below.

Section 2. Percentage of Value. The percentage of value assigned to each Unit is equal. The percentages of value were computed on the basis that the comparative characteristics of the Units are such that it is fair and appropriate that each Unit owner vote equally and pay an equal share of the expenses of maintaining the General Common Elements. The percentage of value assigned to each Unit shall be determinative of each Co-owner's respective share of the General Common Elements of the Condominium Project, the proportionate share of each respective Co-owner in the proceeds and expenses of administration and the value of such Co-owner's vote at meetings of the Association of Co-owners.

Article VI.

Easements

Section 1. Easement for Maintenance of Encroachments. In the event any portion of a structure located within a Unit encroaches upon a Common Element due to shifting, settling or moving of a building, or due to survey errors or construction deviations or change in ground elevations, reciprocal easements shall exist for maintenance after rebuilding in the event of destruction. One of the purposes of this section is to enable Co-owners to maintain structural elements and fixtures, including decks, which project into the General Common Elements surround each Unit notwithstanding their projection beyond the Unit perimeters.

(h). *Telecommunications.* The telecommunications system throughout the Project, if and when it may be installed, up to, but not including, connections to provide service to each residential dwelling that now or subsequently is constructed within the perimeter of a Unit.

(i). *Beneficial Easements.* The beneficial easements described in Article II above.

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

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

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

(a). *Driveways.* Each Limited Common Element driveway as depicted on the Condominium Subdivision Plan shall be limited in use to the Unit or Units to which it has been assigned.

(b). *Other.* The Developer has reserved the right in Article VIII of this Master Deed to designate Limited Common Elements within the Convertible Area which may, at the Developers discretion, be assigned as appurtenant to an individual Unit.

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

(a). *Primary Responsibility of Co-owners for Units, Dwellings and Limited Common Elements.* It is anticipated that a separate residential dwelling will be constructed within each Unit depicted on Exhibit B attached here and that various appurtenances to such dwellings may be created pursuant to Article VIII here, adjacent to the same. Except as otherwise expressly provided, the responsibility for, and the costs of maintenance, decoration, repair and replacement of any dwelling and appurtenance to each dwellings a Limited Common Element, including by way of example and not limitation decks, shall be borne by the Co-

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

Section 6. Condominium Premises. "Condominium Premises" means and includes the land described in Article II above, all improvements and structures thereon, and all easements, rights and appurtenances belonging to Crystal Shores Condominiums.

Section 7. Condominium Project, Condominium or Project. "Condominium Project," "Condominium" or "Project" means Crystal Shores as a Condominium Project established in conformity with the Act.

Section 8. Condominium Subdivision Plan. "Condominium Subdivision Plan" means Exhibit B attached here.

Section 9. Consolidating Master Deed. "Consolidating Master Deed" means the final amended Master Deed which shall describe Crystal Shores Condominiums, as a completed Condominium Project and shall reflect the entire land area included in the Condominium. Such Master Deed, if and when recorded in the office of the Huron County Register of Deeds, shall supersede the previously recorded Master Deed for the Condominium and all amendments.

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

Section 11. Declaration. "Declaration" means that certain Declaration of Easements, Covenants, Conditions and Restrictions for Crystal Shores Condominiums.

Section 12. Developer. "Developer" means Peter Geloso and Patricia R. Geloso, Husband and Wife, which have made and executed this Master Deed, and their Heirs, successors and assigns. Both successors and assigns shall always be deemed to be included within the term "Developer" whenever, however and wherever such terms are used in the Condominium Documents.

Section 13. Development and Sales Period. "Development and Sales Period," for the purposes of the Condominium Documents and the rights reserved to Developer, shall be deemed to continue for as long as Developer continues to own any Unit in the Project and for as long as Developer continues or proposes to construct other residences or owns or hold an option or other

Article II.

Legal Description

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

Lots 4 & 5, Paul Woodworth's Addition to the Village of Caseville, being part of Government Lot 3, Section 26, Township 18 North, Range 10 East, Huron County, Michigan," as recorded in Liber 3 of Plats, page 15, Huron County Records, except easements and rights of way of record.

Article III.

Definitions

Certain terms utilized not only in this Master Deed and Exhibits A and B attached here, are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation and rules and regulations of Crystal Shores Condominiums, a Michigan nonprofit corporation, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in Crystal Shores as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

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

Section 2. Association. "Association" means Crystal Shores Condominium Association, which is the nonprofit corporation organized under Michigan law of which all Co-owners shall be members, which corporation shall administer, operate, manage and maintain the Condominium.

Section 3. Bylaws. "Bylaws" means Exhibit A attached here, being the Bylaws setting forth the substantive rights and obligations of the Co-owners and required by Section 3(8) of the Act to be recorded as part of the Master Deed. The Bylaws shall also constitute the corporate bylaws of the Association as provided for under the Michigan Nonprofit Corporation Act.

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



5. The Vice-President shall take the place of the President and perform duties whenever the President shall be absent or unable to act. If neither the President or 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 other duties as shall from time to time be imposed upon him or her by the Board of Directors.

6. 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; and shall have charge of the corporate seal and of any books and papers as the Board of Directors may direct; and shall, in general, perform all duties incidental to the office of Secretary.

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

8. The officers shall have any other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

Article XVI.

Seal

The corporation shall not be required to have a seal.

Article XVII.

Finance

1. The finances of the corporation shall be handled in accordance with the Condominium Bylaws.

2. The fiscal year of the corporation shall be an annual period commencing on the 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.

3. The funds of the corporation shall be deposited in a bank or other depository as may be designated by the Directors and shall be withdrawn only upon the check or order of those officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

5. If any meeting of 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 six days from the time the original meeting was called. Notice of the adjourned date shall be given as required in Section 4 above, except notice shall be given at least two days prior to such adjourned meeting. At any adjourned meeting which has been called for failure of a quorum at an originally scheduled meeting, the quorum requirement shall be reduced to 20 percent of all Co-owners in value.

Article XIV.

Board of Directors

1. The affairs of the Association shall be governed by a Board of Directors, consisting of not less than three nor more than five persons, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association. The Board of Directors shall be elected at each annual meeting of the members of the Association, and the Directors shall hold office until their successors have been elected and take office.

2. The Board of Directors shall have the powers and duties set forth in the Condominium Bylaws.

3. Vacancies in the Board of Directors caused by 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. Each person elected shall be a Director until a successor is elected at the next annual meeting of the Association.

4. At any regular or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by a majority of the Co-owners and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.

5. The first meeting of a newly elected Board of Directors shall be held within 30 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.

6. Regular meetings of the Board of Directors may be held at 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 (10) days prior to the date named for such meeting.

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

E. Noncompliance of Policies.

1. Some policies such as the pet policy have specific fines outlined within them. In most other instances we expect that a friendly reminder will be sufficient to correct the problem. However, if necessary, a written communication will be sent to the Co-owner outlining the policy violation and corrective action expected, as well as notification of a \$100.00 fine payable by 5:00 p.m. the following business day to the Association. A \$100.00 per day charge will continue, also payable by 5:00 p.m. the following business day, until the violation has been resolved.

Section 51-7 Unlawful Noise Prohibited

A. It shall be unlawful, and it shall be deemed a public nuisance, for any person to unreasonably make, continue or cause to be made or continued any noise that annoys or disturbs the quiet, comfort or repose of a reasonable person of normal sensitivities, or that injures or endangers the health, peace or safety of the public within the Township. The following acts, among others, are declared to be unlawful noises in violation of this section, and are deemed to be public nuisances per se, but this enumeration shall be deemed to be exclusive, namely:

1. Radios, Phonographs and Musical Instruments. Operating, playing or permitting the operation or playing of any radio, phonograph, television set, amplified or unamplified musical instrument, drum, loudspeaker, tape recorder or other sound-producing device, in such a manner or with such volume at any time or place so as to annoy or disturb the quiet, comfort or repose of a reasonable person of normal sensitivities in any office or dwelling unit other than that from which the noise originates or emanates shall be prima facie evidence of a violation of this section.

2. Shouting and Whistling. Yelling, shouting, hooting, whistling, singing or making any other loud noises on the public streets, sidewalks, or other paths located within the Village, between the hours of 9:00 p.m. and 8:00 a.m. the following day, or the making of any such noise at any time or place so as to annoy or disturb the quiet, comfort or repose of a reasonable person of normal sensitivities in any office, dwelling, hotel, hospital or residence.

3. Animals and Birds. Owning, possessing or harboring any animal or bird that frequently or for continued duration howls, barks, meows, squawks or makes other sounds at any time or place so as to annoy or disturb the quiet, comfort or repose of a reasonable person of normal sensitivities in any office, dwelling, hotel, hospital or residence.

4. Construction. Operating or permitting the operation of any tools or equipment used in construction, excavation, demolition, alteration or repair of any building, street or highway, between the hours of 8:00 p.m. and 8:00 a.m. the following day, such that the sound is plainly audible in any dwelling, hotel, hospital, office or residence, or on any residential property other than the property from which the noise emanates or originates, unless a variance therefor is first obtained from the Village Superintendent.

5. Engines. Operating or permitting the operation of any steam engine or internal combustion engine, whether stationary or mobile, so as to annoy or disturb the quiet, comfort or repose of a person of normal sensitivities in any office, dwelling, hotel, hospital or residence. This subparagraph shall not prohibit the operation of any mechanically powered saw, sander, drill, grinder, lawn or garden tool, snowblower or similar device used outdoors in

II. Vehicles and Parking

A. No car or vehicle shall be parked in any such manner that blocks any garage, roadway or driveway. It is essential that at all times emergency vehicles are able to travel throughout the complex.

B. No trucks, trailers, motor homes, boats or any other commercial, work or recreational vehicles may be parked or stored on the common (or limited common) element areas.

III. Pets

A. Co-owners must register their pets with the Building and Grounds Committee, including current pet owners. Registration of newly acquired pets must occur within seven days of obtaining the pet.

B. Proof of immunization and the approximate weight of the pet at maturity must be verified by a certified veterinarian.

C. There shall be one domestic pet allowed per unit.

D. The penalty for noncompliance will be legal action taken against the Co-owner to remove the pet from the Crystal Shores Condominium premises.

IV. Noise

A. The Village of Caseville Noise Ordinance applies to all Co-owners within the Crystal Shores Condominium complex. In general, we must consider any noise that a neighbor objects to as excessive. All are urged to be considerate of both our neighbors' rights to a relatively noise-free environment and our neighbors' rights to enjoy activities which on occasion may be heard by others.

B. The proper procedure in the event of too much noise is for the offended party to politely request the offending party to adjust the noise level.

C. If the above-mentioned preliminary procedure does not correct the situation, the Village of Caseville Police should be notified accordingly.

D. Any instance in which the Village of Caseville Police has been notified for a noise offense should be reported to the Board of Directors in a timely manner so that further follow up may take place.

E. Fireworks are prohibited within the Crystal Shores Condominiums complex.

(7). Not earlier than nine months after closing the sale of the first unit in a phase of a condominium project for which escrowed funds have been retained under subsection (3)(c) or for which security has been provided under subsection (5), an escrow agent, upon the request of the association or any interested co-owner, shall notify the developer of the amount of funds deposited under subsection (3)(c) or security provided under subsection (5) for such purpose that remains, and of the date determined under this subsection upon which those funds can be released. In the case of a recreational facility or other facility intended for general common use, not earlier than nine months after the date on which the facility was promised in the condominium documents to be completed by the developer, an escrow agent, upon the request of the association or any interested co-owner, shall notify the developer of the amount of funds deposited under subsection (3)(d) or security provided under subsection (5) for such purpose that remains, and of the date determined under this subsection upon which those funds can be released. Three months after receipt of a request pertaining to funds described in subsection (3)(c) or (d), funds that have not yet been released to the developer may be released by the escrow agent for the purpose of completing incomplete improvements for which the funds were originally retained, or for a purpose specified in a written agreement between the association and the developer entered into after the transitional control date. The agreement may specify that issues relating to the use of the funds be submitted to arbitration. The escrow agent may release funds in the manner provided in such an agreement or may initiate an interpleader action and deposit retained funds with a court of competent jurisdiction. In any interpleader action, the circuit court shall be empowered, in its discretion, to appoint a receiver to administer the application of the funds. Any notice or request provided for in this subsection shall be in writing.

(8). If interest is paid on the amounts escrowed under this act, that interest shall be released in the same manner as provided for release of funds in this section except that the parties may, by written agreement, provide that interest on funds refunded to a depositor upon withdrawal may be paid to the developer.

(9). The escrow agent in the performance of its duties under this section shall be deemed an independent party not acting as the agent of the developer, any purchaser, co-owner or other interested party. So long as the escrow agent relies upon any certificate, cost estimate or determination made by a licensed professional engineer or architect, as described in this act, the escrow agent shall have no liability whatever to the developer or to any purchaser, co-owner or other interested party for any error in such certificate, cost estimate or determination, or for any act or omission by the escrow agent in reliance thereon. The escrow agent shall be relieved of all liability upon release, in accordance with this section, of all amounts deposited with it pursuant to this act.

(10). A licensed professional architect or engineer undertaking to make a certification under this section shall be held to the normal standard of care required of a member of that profession in determining substantial completion and the estimated cost of substantial completion under this act, but such architect or engineer shall not be required to have designed the improvement or item or to have inspected or to have otherwise exercised supervisory control during the course of construction or installation of the improvement or item with respect to which the certificate is delivered. The

(i). Items referred to in subsection (3)(c) shall be substantially complete only after all utility mains and leads, all major structural components of buildings, all building exteriors and all sidewalks, driveways, landscaping and access roads, to the extent such items are designated on the condominium subdivision plan as "must be built," are substantially complete in accordance with the pertinent plans.

(ii). If the estimated cost of substantial completion of any of the items referred to in subsection (3)(c) and (d) cannot be determined by a licensed professional engineer or architect due to the absence of plans, specifications or other details that are sufficiently complete to enable such a determination to be made, such cost shall be the minimum expenditure specified in the recorded master deed or amendment for completion thereof. To the extent that any item referred to in subdivision plan, an estimate of the cost of substantial completion prepared by a licensed professional engineer or architect shall be required in place of the minimum expenditure specified in the recorded master deed or amendment.

(b). A structure, element, facility or other improvement shall be deemed to be substantially complete when it can be reasonably employed for its intended use and, for purposes of certification under this section, shall not be required to be constructed, installed or furnished precisely in accordance with the specifications for the project. A certificate of substantial completion shall not be deemed to be a certification as to the quality of the items to which it relates.

(5). In place of retaining funds in escrow under subsection (3), the developer may, if the escrow agreement provides, furnish an escrow agent with evidence of adequate security, including, without limitation, and irrevocable letter of credit, lending commitment, indemnification agreement or other resource having a value, in the judgment of the escrow agent, of not less than the amount retained pursuant to subsection (3).

(6). Upon receipt of a certificate issued pursuant to subsection (3)(c) and (d) determining the amounts necessary for substantial completion, the escrow agent may release to the developer all funds in escrow in excess of the amounts determined by the issuer of such certificate to be necessary for substantial completion. In addition, upon receipt by the escrow agent of a certificate signed by a licensed professional engineer or architect confirming substantial completion in accordance with the pertinent plans of an item for which funds have been deposited in escrow, the escrow agent shall release to the developer the amount of such funds specified by the issuer of the certificate as being attributable to such substantially completed item. However, if the amounts remaining in escrow after such partial release would be insufficient in the opinion of the issuer of such certificate for substantial completion of any remaining incomplete items for which funds have been deposited in escrow, only the amount in escrow in excess of such estimated cost to substantially complete shall be released by the escrow agent to the developer. Notwithstanding a release of escrowed funds that is authorized or required by this section, an escrow agent may refuse to release funds from an escrow account if the escrow agent, in its judgment, has sufficient cause to believe the certificate confirming substantial completion or determining the amount necessary for substantial completion is fraudulent or without factual basis.

make certain that it conforms to the requirements of the Preliminary Reservation or Purchase Agreements.

2. Other Insurance. The condominium documents require that the Association carry liability and workers' compensation coverage, if applicable. The Board of Directors is responsible for obtaining such insurance coverage for the Association. Each owner's prorata share of the annual Association insurance premiums is included in the monthly assessments. The Association should periodically review all insurance coverage to be assured of its continued adequacy. In the event of loss or injury, each owner should refer to Articles IV and V of the Condominium Bylaws. Each unit owner is responsible for obtaining fire, casualty and extended coverage insurance with respect to any residence or other improvements constructed on a unit, as well as liability insurance for injury or damage occurring in or on his or her unit, or the limited common elements appurtenant to the unit.

F. Restrictions on Development and Use. Article VI of the Condominium Bylaws contains comprehensive restrictions on the use of the condominium units and the common elements. It is impossible to paraphrase these restrictions without risking the omission of some portion that may be of significance to a purchaser. Consequently, each purchaser should examine the restrictions with care to be sure that they do not infringe upon an important intended use.

The following is a list of certain of the more significant restrictions:

1. Units are to be used only for single family residential purposes.
2. Any residences or other structures are subject to certain restrictions and limitations with respect to minimum size, type of construction materials, time period of construction and other matters.
3. Reasonable regulations may be adopted by the Board of Directors of the Association (without vote of the Co-owners) concerning the use of common elements such as parking areas and other matters falling within the authority of the Association.

None of the restrictions apply to the sale or commercial activities of the Developer.

Article VII.

Rights and Obligations as Between Developer and Co-owners

A. Before Closing. The respective obligations of the Developer and the purchaser of a condominium unit in the project prior to closing are set forth in the Purchase Agreement. Each of these documents should be closely examined by all purchasers in order to ascertain the disposition of earnest money deposits advanced by the purchaser at the time of closing, anticipated closing adjustments, and the obligations of both parties with respect to modifications to the standard unit and extra installations.

C. Condominium Bylaws. The Condominium Bylaws contain provisions relating to the operation, management and fiscal affairs of the condominium and, in particular, set forth the provisions relating to assessments of Association members for the purpose of paying the costs of operation of the condominium project. Article VI contains certain restrictions upon the ownership, occupancy and use of the condominium project. Article VI also contains provisions permitting the adoption of rules and regulations governing the common elements. Rules and regulations have been adopted by the Board of Directors of the Association and are enclosed.

D. Condominium Subdivision Plan. The Condominium Subdivision Plan is a survey depicting the physical location and boundaries of each of the units and all of the common elements in the project.

Article V.

The Developer and its Affiliates

A. Developers' Background and Experience. The Developers of the Crystal Shores Condominiums are Peter Geloso and Patricia R. Geloso, Husband and Wife.

B. Affiliates. No affiliates of the Developer are involved in any aspect of the development of this project.

C. Legal Proceedings Involving the Condominium Project, the Developer or Its Affiliates. The Developer is not presently aware of any pending judicial or administrative proceedings involving the condominium project, the Developer or any of the Developers' partners.

Article VI.

Operation and Management of Condominium Project

A. The Condominium Association. The ultimate responsibility for the management and maintenance of the condominium project is vested in the Crystal Shores Condominium Association, subsequently identified as the "Association," which has been incorporated as a nonprofit corporation under Michigan law. The Articles of Incorporation and Bylaws of the Association are contained in the Purchaser Information Booklet and govern the procedural operations of the Association. The Condominium Bylaws provide for the establishment of an Advisory Committee of two (2) non-Developer Co-owners within 120 days after conveyance to non-Developer Co-owners of one-third of the units planned for the project or within one year after the initial conveyance of legal or equitable title to a non-Developer co-owner of a unit in the project, whichever first occurs. The Advisory Committee is initially appointed by the Developer, although the Bylaws provide that under certain circumstances the members of the Advisory Committee may be elected by the non-Developer Co-owners. The purpose of the Advisory Committee is to facilitate communications between the Developer and the non-Developer Co-owners. The Condominium Bylaws also provide that the non-Developer Co-owners shall be entitled to elect members of the Board of Directors of the condominium Association in increasing numbers as condominium units are sold. Section 1.8 of the Condominium Bylaws sets forth these rights.

Article II.

The Condominium Concept

A Condominium is a form of real property. A condominium unit has the same legal attributes as any other form of real property under Michigan law and may be sold, mortgaged or leased, subject only to such restrictions as are contained in the condominium documents.

Each owner receives a deed to his or her individual unit (lot). Each owner owns, in addition to a unit, an undivided interest in the common facilities ("common elements") which service the project. Title to the common elements is included as part of, and is inseparable from, title to the individual condominium units. Each owner's proportionate share of the common elements is determined by the percentage of value assigned to his or her unit in the Master Deed described in Section IV of this Disclosure Statement.

All portions of the project not included within the units constitute the common elements. Limited common elements are those common elements which are set aside for use by less than all unit owners. General common elements are all common elements other than limited common elements.

Real property taxes and assessments are levied individually against each unit in the project. The separate taxes and assessments cover the unit and its proportionate share of the common elements. Taxes and assessments may also be levied independently against the common elements. In the year in which the project is established the taxes and assessments for the units covered by the Master Deed may be billed to the Developer or Association, but will be paid by the owners of such units in proportion to the percentages of value assigned to the units owned by them and prorated to the date of closing between Developer or Association and Co-owners.

Although the foregoing is generally accurate as applied to most residential condominium developments, the details of each development may vary substantially. Accordingly, each purchaser is urged to carefully review all of the documents contained in the Crystal Shores Condominiums Purchaser Information Booklet as well as any other documents that have been delivered to the purchaser in connection with this development. Any purchaser having questions pertaining to the legal aspects of the project is advised to consult his or her own lawyer or other professional advisor.

Article III.

Description of the Condominium Project

A. General. Crystal Shores Condominiums are to be developed as a site condominium in accordance with the Condominium Act (Public Act 59 of 1978, as amended) and the Village of Caseville Zoning Ordinance. Crystal Shores Condominiums consist of a single phase, residential site condominium to contain no more than Thirteen (13) residences. Each unit consists of a lot of sufficient size to be developed for single family residential purposes. The project contains lake frontage as shown on the recorded survey plan. The project is in an area which is currently zoned Residential.

(ii). The names, addresses 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 expressed warranties undertaken by the developer, together with a statement that express warranties are not provided unless specifically stated.

(vi). If the condominium project is an expandable condominium project, an explanation of the contents of the master deed relating to the election to expand the project prescribed in Section 32, and an explanation of the material consequences of expanding the project.

(vii). If the condominium project is a contractible condominium project, and explanation of the contents of the master deed relating to the election to contract the project prescribed in Section 33, an explanation of the material consequences of contracting the project, and a statement that any structures or improvements proposed to be located in a contractible area need not be built.

(viii). If Section 66(2)(j) is applicable, an identification of all structures and improvements labeled pursuant to Section 66 "need not be built."

(ix). If Section 66(2)(j) is applicable, the extent to which financial arrangements have been provided for completion of all structures and improvements labeled pursuant to Section 66 "must be built."

(x). Other material information about the condominium project and the developer that the administrator requires by rule.

(e). If a project is a conversion condominium, the developer shall disclose the following additional information:

(i). A statement, if known, of the condition of the main components of the building, including the roofs, foundations, external and supporting walls, heating, cooling, mechanical ventilating, electrical and plumbing systems, and structural components. If the condition of any of the components of the building listed in this subparagraph is unknown, the developer shall fully disclose that fact.

(ii). A list of any outstanding building code or other municipal regulation violations and the dates the premises were last inspected for compliance with building and housing codes.

(iii). The year or years of completion of construction of the building or buildings in the project.

(2). A purchase agreement may be amended by agreement of the purchaser and developer before or after the agreement is signed. An amendment to the purchase agreement does not afford the purchaser any right or time to withdraw in addition to that provided in Section 84(2).

CRYSTAL SHORES CONDOMINIUM ASSOCIATION
ANNUAL MEETING MINUTES
July 13, 2013

1. OPENING

• **Call to Order at 9:36AM**

Quorum

• **In attendance:**

Tim Keck \

Dean Marsh \

Geoff and Amy Sherman

George and Karen Oberle \

Chris and Denise Bauer \

Larry Adamski \

Renee Bologna \

• **Not present:**

John and Julie Geloso, and Tom and Kathy Bauer

2. READING AND APPROVAL OF MINUTES - Not available

3. TREASURER'S REPORT - Larry Adamski

• **Sent most recent statement out via email**

• **One check written**

\$215 - for state for association corporation

Forms were wrong per Dean and Pat has redone and resubmitted

Pat Marsh receives statement in October and submits to keep corporation current

• **All but one members dues have been paid in full for 2013.**

4. OLD BUSINESS

• **Speed bumps/speed limit signs**

At this time the association is not going to install speed bumps.

Tim, Dean and Frank did research and it is terribly expensive.

• **Speed limit signs**

It is proposed that a sign for 15 miles an hour be installed by the private drive sign.

Karen makes motion

Second by Geoff

All in favor and none oppose

George and Karen will do research and find the best deal.

Chris suggest Retro reflective - something that stands out.

Discussing change in speed limit

Amy suggest 13 miles an hour but some feel people may not take it seriously

It is suggested 10 instead of 15 due to people always going over the posted speed limit.

Most cost effective sign and speed will be sufficient

- **Trash area/dumpster**
- **Kurt from Emterra (new garbage service) said they would bring us a dumpster for \$50 (a one time drop off fee) and the rental charge is \$20 a month. The cost of pick up is included in our taxes.**

Karen makes motion

Dean second

All in favor none oppose

Amy will call Monday morning to have dumpster arrangements made.

- **Easement erosion**

Erosion is resulting from Mike's drain on his property. He has addressed issue and if problem continues Mike, Dean and Tim will extend black pipe and resolve issue. At this point, they feel the problem is resolved.

5. NEW BUSINESS

- **Beach cleaning - Todd Talaski**

Dean is not charging this year so, consent to continue to make arrangements with Todd Talaski will be done by Karen.

Spring cleaning - Duffy once a year

Maintenance - once a week

- **General Common area on beach**

High water mark towards waters edge - this needs better clarification

Amy will contact surveyor and Huron country to try to get better clarification

- **Add 20 feet of sand to lake front for back unit co-owners**

Karen Make a motion to talk to Todd about removing and get reasonable quote for grass removal

Amy second

All in favor none oppose

- **Public Trust Doctrine - beach walking**

NOAA Beach Walking rule is that from the High Water Mark out to the waters edge public has the right to walk. See article link below.

<http://www.csc.noaa.gov/magazine/2006/04/article2.html>

- **Easement width and maintenance**

Tim maintains it and is not staking claim to it but at this point no one has an issue with it. We as an association all unanimously agree to leave it as is.

- **Rental of homes**

It is allowed but the majority is against it

Section 6.9

Page 2 - rental policy

Rule change

Karen puts out a motion
Geoff seconds
all in favor non oppose

To Delete

Section 5 paragraph of rental policy to delete paragraph 1-6 to just state indicating that co-owners shall not rent or lease their units

Paragraph 6 to state that ***If co-owner rents or leases their property in violation of this section said co-owner shall forfeit and surrender to the association all rental proceeds plus 10% of rental amount for said violation.***

• Hours of operation of mowers and motorized equipment

Change time of Machine Noise from 8-8 to 9-9

Amy makes motion to amend section 51-7 A5 of co owner rules and regs to change operating hours from 8-8 to 9-9.

Chris seconds

All in favor none oppose

• Lots 1,2,3,4

Tim concerned with road and dues not being paid for these lots now that they are county owned.

Dues have never been paid on these lots since development and until they are purchased by a private owner will not be addressed.

• Fireworks in Condo Association

Be reasonable and respectful of noise and time.

No changes to be made at this time in the Rules and Regs.

• Use/storage of campers and boats

Discussed and no changes needed at this time

• Snow fencing

Dean will do his own and Tim says anything will help and he is all for helping out.

We need to look into new ideas to control sand and contain in our beach area.

Tim says this is done over time.

Karen suggest we all will come down and help in October. Either the weekend of the 5th and 6th or 12th and 13th.

Tim and Dean will use wood fencing this coming year.

Tim suggest getting together at the end of August at cheeseburger to determine the amount of materials needed to properly put up snow fencing - all agree.

• Tim suggest via Dean to have a management company take over the association board duties.

All decided against it and feel we are not big enough to need that type of service.

• Dean proposes building a fence between his home and the Sherman's

It is suggested that the Marsh's and Sherman's work it out

- **Election of new officers**

Karen to remain as president

Larry to remain as treasurer

Amy volunteers to become secretary

Brought to a vote and all approve for a 10 year term.

6. ANNOUNCEMENTS

- **Geoff and Amy are grandparents**

- **Karen and George's dog ivy came back home**

7. ADJOURN

- **Meeting adjourned at 11:12am**