

September 10, 2026

Cascade Charter Township
5920 Tahow Drive SE
Grand Rapids, MI 4946

RE: Watermark Condominium Association Additional Documents

In follow up to the previous Planning Commission request for additional documentation, the Watermark Condominium Association (the "Association") is requesting only the following:

- **Parity with Modern Standards:** The Association is requesting an amendment to bring the Watermark Condominiums Planned Unit Development (the "PUD") in line with all subsequent PUDs approved across Cascade Township.
- **Scope of Authority:** The Association is **not** asking the township to approve, design, or place speed bumps. The Association is requesting the standard municipal authority granted to other PUDs: empowering the elected HOA board with the authority to vote on and manage internal traffic-calming measures as appropriate. The Township does currently allow speed bumps in other PUD's and any subsequent installation as approved by the respective HOA board which are in alignment with current Township ordinances and Fire Department regulations.

To address the Planning Commission's request for additional information while firmly protecting HOA's governance boundaries, the Association is submitting the following:

- **Governing Documents:** Attached are copies of the Articles of Incorporation, Master Deed, and Bylaws, accompanied by a cover memo that highlights the specific sections establishing that the Watermark Condominium Association is the sole legal entity authorized to request a PUD amendment.
- **Good-Faith Resolutions:** Attached is a resolution of support from all three boards purely as a demonstration of community partnership and good faith—reinforcing that while their sign-off is not legally required, the community stands united behind the request. As much as this piece is legally unnecessary, we are including it as well. In addition, we are also including the minutes of a Joint Board meeting of all three associations, of June 4, 2026, which unanimously approved the purchase and installation of the speed bumps.

The Association through the attached governing documents has exclusive legal standing and is offering a joint board resolution strictly as voluntary evidence of community consensus. The Association hopes that the Planning Commission will focus on the regulatory issue of parity and not the internal governance of the Association. The Association asks kindly as for a favorable recommendation of adoption of the amendment as requested based on its merits.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Clark', with a stylized flourish at the end.

John Clark
President
Acacia Property Group Management

cc: Watermark Condominium Association Board members

September 10, 2026

Cascade Charter Township
5920 Tahow Drive SE
Grand Rapids, MI 4946

RE: Watermark Condominium Association Documents

Please find attached the following documents in follow up with the requests of the Planning Commission Meeting of August 17, 2026.

Articles of Incorporation of the Watermark Condominium Association (“the Association”) dated August 1, 1997, specifically state that the Association purpose

To provide an entity pursuant to Act No 59 of the Public Acts of 1978, as amended, hereinafter called the “Michigan Condominium Act”, for the operation of condominium properties in Cascade Township, Kent County, Michigan, and in furtherance thereof:

- (a) to maintain, operate and administer the property of the condominium for the use and enjoyment of its members and their guests, invitees and families;
- (f) To Authorize and approve the execution of contracts, deeds, and/or easements affecting the common elements;
- (g) In general, to carry out any other business in connection with and incident to the foregoing purposes no forbidden, and with all the power conferred upon non-profit corporations by the laws of the State of Michigan.

Master Deed of the Watermark dated July 8, 1998,

Article III Definitions

Paragraph (c) Association. the “Association” or “Association of Co-owners” means the Watermark Condominium Association, the Michigan Non-profit corporation of which all Co-Owners shall be members, which shall administer, operate, manage and maintain the Project.

Paragraph (n) General Common Elements, “General Common Elements” means those Common Elements of the Project described in Section 4.1 which are for the use and enjoyment of all Co-Owners in the Project.

Article IV Common Elements

4.1 (b) Improvements. The private drive and the common walkways, lawns, trees, shrubs and other improvements not located within the boundaries of a Condominium Unit. All structures and improvements located within the boundaries of a Condominium Unit shall be owned in their entirety by the Co-Owner of the Unit within which they are

located and shall not, unless expressly provided in the Condominium Documents, constitute Common Elements.

4.3 Maintenance Responsibilities. Responsibilities for the cleaning, decoration, maintenance, repair and replacement of the Common Elements will be as follows:

c. Other Common Elements. The cost of cleaning decoration, maintenance, repair and replacement of all Common Elements, other than as described above shall be the responsibility of the Association, except to the extent of repair and replacement of a Common Element due to the act or neglect of a Co-owner or his agent, invitee, family member or pet.

4.5 Power of Attorney. By acceptance of a deed, mortgage, land contract or other instrument or conveyance or encumbrance all Co-owners, mortgagees and other interested parties shall be deemed to have appointed the Developer (during the Development and Sales Period) and/or the Association (after the Development and Sale Period has expired) as their agent and attorney, to act in connection with all matters concerning the Common Elements and their respective interests in the Common Elements. Without limiting the generality of this appointment, the Developer (or Association) will have full power and authority to grant easements over, to sever or lease mineral interests and/or to convey title to the land or improvements constituting the General Common Elements or any part of them, to dedicate as public streets any part of the General Common Elements, to amend the Condominium Documents for the purpose of assigning or reassigning the Limited Common Elements and in general to execute all documents and to do all things necessary or convenient to the exercise of such powers.

Master Deed Amendment #7 dated September 24, 2007

Recitals

C. The Easement Agreements provide a methodology for sharing expenses for the maintenance, repair and replacement of the Shared Infrastructure (the "Shared Community Expenses") among the Condominiums' associations of co-owners (the "Associations"), but do not contemplate: (i) improvements to the existing Shared Infrastructure; or (ii) additional capital improvements within the Easement Area. Further, several of the Easement Agreements do not address the need for Watermark Club Homes and Watermark Estate Homes to have input into the decision-making process with respect to decisions regarding the maintenance, repair and replacement of Shared Infrastructure.

Watermark Association Co-Owners By-Laws

Article I – Association of Co-Owners

1.1. Organization. Watermark, a residential site condominium project located in the Township of Cascade, Kent County, Michigan (the "Project") is being developed in successive segments so as to comprise a maximum of 300 building sites (the

"Units). Upon the recording of the Master Deed, the management, maintenance, operation and administration of the Project shall be vested in an Association of Co-owners organized as a non-profit corporation under the laws of the State of Michigan (the "Association"). The Association will keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Project available at reasonable hours for inspection by Co-owners, prospective purchasers, mortgagees and prospective mortgagees of Units in the Project.

Article IV – Administration

4.1. Board of Directors. The business, property and affairs of the Association shall be managed by a Board of Directors to be elected in the manner described in the Association By-Laws; provided, that the directors designated in the Articles of Incorporation shall serve until such time as their successors have been duly elected and qualified at the initial meeting of members. All actions of the first Board of Directors designated in the Articles of Incorporation or any successors to such directors selected by the Developer before the initial meeting of members shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors elected by the members of the Association, so long as such actions are within the scope of the powers and duties which may be exercised by a Board of Directors as provided in the Condominium Documents . A service contract or management contract entered into between the Association and the Developer or affiliates of the Developer shall be voidable by the Board of Directors on the Transitional Control Date or within ninety (90) days after the initial meeting has been held, and on thirty (30) days' notice at any time for cause.

4.2. Powers and Duties. The Board shall have all powers and duties necessary for the administration of the affairs of the Association and may take all actions in support of such administration as are not prohibited by the Condominium Documents or specifically reserved to the members. The powers and duties to be exercised by the Board shall include, but shall not be limited to, the following . . .

- h. Authorizing the execution of contracts, deeds of conveyance, easements and rights-of-way affecting any real or personal property of the Condominium on behalf of the Co-owners;
- i. Making repairs, additions and improvements to, or alterations of, the Common Elements, and repairs to and restoration of the Common Elements after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

Meeting Minutes of the Joint Board dated June 4, 2026, which represents the three associations within the Watermark Residences, specifically Watermark Condominium Association, Watermark Club Homes and Watermark Estate Homes. These minutes reflect the unanimous approval of the purchase and installation of speed bumps within Watermark.

Joint Board Resolution, which was unanimously approved during a Joint Board meeting of September 9, 2026, of the three associations,

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES - CORPORATION SECURITIES
AND LAND DEVELOPMENT BUREAUDate Received
JUL 23 1997

(FOR BUREAU USE ONLY)

FILED

AUG 01 1997

Name William K. Van't Hof
VARNUM, RIDDERING, SCHMIDT & HOWLETT LLP

Address

Bridgewater Place - Post Office Box 352

City	State	Zip
Grand Rapids	MI	49501-0352

 Administrator
 MI DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
 CORPORATION, SECURITIES & LAND DEVELOPMENT BUREAU

EFFECTIVE DATE:

DOCUMENT WILL BE RETURNED TO NAME AND ADDRESS INDICATED ABOVE

749 - 316

ARTICLES OF INCORPORATION

OF

WATERMARK CONDOMINIUM ASSOCIATION

These Articles of Incorporation are signed by the incorporator(s) for the purpose of forming a non-profit corporation under the provisions of Act 162 of the Public Acts of 1982 known as the Michigan Nonprofit Corporation Act (the "Act"), as follows:

ARTICLE I.

The name of the corporation is:

WATERMARK CONDOMINIUM ASSOCIATION

ARTICLE II.

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

To provide an entity pursuant to Act No. 59 of the Public Acts of 1978, as amended, hereinafter called the "Michigan Condominium Act", for the operation of condominium properties in Cascade Township, Kent, County, Michigan, and, in furtherance thereof:

- (a) To maintain, operate and administer the property of the condominium for the use and enjoyment of its members and their guests, invitees and families;
- (b) To make and enforce reasonable rules and regulations concerning the use of the condominium property in furtherance of the Master Deed and By-laws;
- (c) To levy and collect assessments from members of the corporation to defray the costs, expenses and losses of the condominium;
- (d) To employ personnel, to contract for the maintenance, administration and management of the condominium, and to delegate to said persons such powers and duties as are necessary therefor;
- (e) To purchase insurance upon the common elements of the condominium and to collect and allocate the proceeds thereof;
- (f) To authorize and approve the execution of contracts, deeds and/or easements affecting the common elements; and
- (g) In general, to carry on any other business in connection with and incident to the foregoing purposes not forbidden, and with all the powers conferred upon non-profit corporations by the laws of the State of Michigan.

All funds and the ~~titles to all properties~~ acquired by the corporation and the proceeds thereof shall be held in trust for the members in accordance with the provisions of the by-laws of the Association.

ARTICLE III.

The address of the initial registered office is:

Suite 1700, 333 Bridge Street, N.W.
Grand Rapids, Michigan 49504

The mailing address of the registered office is:

Bridgewater Place - P.O. Box 352
Grand Rapids, Michigan 49501-0352

The name of the resident agent at the registered office is:

William K. Van't Hof

ARTICLE IV.

The corporation is organized on a non-stock membership basis.

The description and value of all assets which the corporation possesses at the time of its incorporation are: Real Property: None; Personal Property: None.

The corporation is to be financed under the following general plan: by assessment of members to defray the costs, expenses and losses of the condominium.

ARTICLE V.

The name and address of the incorporator is as follows:

<u>Name</u>	<u>Residence or Business Address</u>
William K. Van't Hof	3160 Hall Street S.E. Grand Rapids, Michigan 49506

ARTICLE VI.

The names and addresses of the first Board of Directors are as follows:

<u>Name</u>	<u>Residence or Business Address</u>
Kevin Einfeld	4054 Mont Katnich Ct., N.E. Grand Rapids, MI 49546
Douglas A. Bouwer	3833 Kingsway Ct., S.E. Grand Rapids, MI 49508
Christina Bouwer	3833 Kingsway Ct., S.E. Grand Rapids, MI 49508

ARTICLE VII.

The term of the corporation shall be perpetual.

ARTICLE VIII.

The corporation is organized on a membership basis and each Co-owner of record of a Unit in the condominium, including the Developer thereof until all such units have been sold, shall be a member of the corporation. Such membership shall not be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to such Unit. The directors named herein shall also be members of the corporation until such time as their successors shall have been elected and qualified.

Each member of the corporation shall be entitled to one vote, the value of which and the manner of exercise of which are to be determined in accordance with the By-Laws of the corporation.

ARTICLE IX.

Any action required or permitted by the Act to be taken at an annual or special meeting of members may be taken without a meeting, without prior notice, and without a vote, if a consent in writing, setting forth the action so taken is signed by members of the corporation having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all members entitled to vote thereon were present and voted. Prompt notice of the taking of corporate action without a meeting by less than unanimous consent shall be given to members who have not consented in writing.

ARTICLE X.

No contract or other transaction between this corporation and

any other corporation, firm or association shall be subject to cancellation (other than as provided by Act 59, P.A. 1978, as amended) by the fact that any one or more of the directors or officers of the corporation are interested in or are directors or officers of such other corporation, firm or association, and any director or officer individually may be a party to or may be interested in any contract or transaction of the corporation; provided, that the contract or other transaction is fair and reasonable to the corporation when it is authorized, approved or ratified and that the material facts as to such relationship or interest are disclosed or known to the board or committee at the time it authorized, approved or ratified the contract or transaction by a vote sufficient for the purpose without counting the vote of such interested director or officer, and each and every person who may become a director or officer of the corporation is hereby relieved from any liability which might otherwise exist from contracting with the corporation for the benefit of himself or any firm, association or corporation in which he may be otherwise interested as set forth herein.

ARTICLE XI.

The members of the Board shall be volunteer directors within the meaning of Act 170 of the Public Acts of 1987. A volunteer director shall not be personally liable to the corporation or to its members for monetary damages for a breach of the director's fiduciary duty arising under applicable law. However, this Article shall not eliminate or limit the liability of a director for any of the following:

(a) a breach of the director's duty of loyalty to the corporation or its members;

(b) acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law;

(c) a violation of Section 551(1) of the Michigan Nonprofit Corporation Act;

(d) a transaction from which the director derived an improper personal benefit;

(e) an act or omission that is grossly negligent;
or

(f) an act or omission occurring before the date on which this document is filed.

A volunteer director shall only be personally liable for monetary damages for a breach of fiduciary duty as a director to the corporation and its members to the extent set forth in this Article XI. Any repeal or modification of this Article shall not adversely affect any right or protection of any volunteer director existing at the time of, or for or with respect to, any acts or omissions occurring before such repeal or modification.

ARTICLE XII.

The corporation assumes liability for all acts or omissions of a non-director volunteer occurring after the date this Article is filed with the Michigan Department of Commerce, providing all of the following conditions are met:

(a) the volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority;

(b) the volunteer was acting in good faith;

(c) the volunteer's conduct did not amount to gross negligence or willful and wanton misconduct;

(d) the volunteer's conduct was not an intentional tort; and

(e) the volunteer's conduct was not a tort arising out of the ownership, maintenance or use of a motor vehicle for which tort liability may be imposed under Section 3135 of the Insurance Code of 1956.

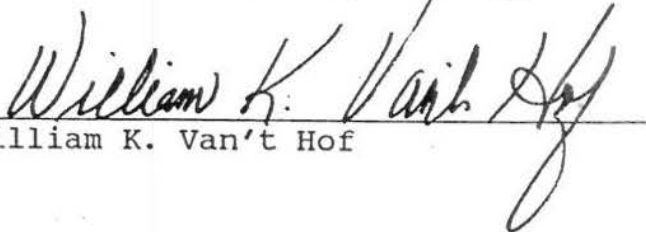
ARTICLE XIII.

These Articles may be amended by the affirmative vote of not less than a majority of the entire membership of the corporation; provided, that in no event shall any amendment make changes in the qualifications for membership nor the voting rights of members without the unanimous consent of the membership.

ARTICLE XIV.

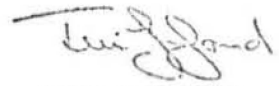
In the event the existence of the corporation shall be terminated for any reason, all assets of the corporation remaining after payment of obligations imposed by applicable law shall be distributed along the members of the corporation in the same proportion to which each member's interest in the common elements of the Project bears to the total of such interests.

I, the incorporator, sign my name this 18th day of July, 1997.


William K. Van't Hof

STATE OF MICHIGAN
COUNTY OF KENT
RECEIVED FOR RECORD

98 JUL -8 AM 10:39



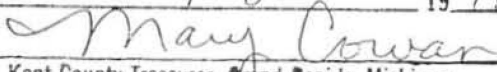
REG. OF DEEDS

3/2

HEREBY CERTIFY that there are No Tax Liens or Titles held by the State or any Individual against the within description, and all taxes on same are paid for five years previous to the date of this instrument, as appears by the records in my office. This certificate does not apply to current taxes, if any now in process of collection.

date

7-8 1998



Deputy, Kent County Treasurer, Grand Rapids, Michigan

MASTER DEED

WATERMARK

(Act 59, Public Acts of 1978)
as amendedKent County Condominium Subdivision Plan No. 425

- (1) Master Deed establishing Watermark, a Site Condominium Project.
- (2) Exhibit A to Master Deed: Condominium By-Laws of Watermark.
- (3) Exhibit B to Master Deed: Condominium Subdivision Plan for Watermark.
- (4) Exhibit C to Master Deed Mortgagee's Consent to Submission to Condominium Ownership.
- (5) Exhibit D to Master Deed: Affidavit of Mailing as to Notices required by Section 71 of the Michigan Condominium Act.

No interest in real estate being conveyed hereby, no revenue stamps are required.

This Instrument Drafted by: William K. Van't Hof

41-19-05-351-049 "87" Varnum, Riddering, Schmidt & Howlett LLP

P.P. No. 41-19-06-400-024 "98" Bridgewater Place - P.O. Box 352
Grand Rapids, Michigan 49501-0352Verified by PD & M B.C. SPHIT

From 41-19-06-277-005 PART VAC ST ADDED TO TAX ROLL 5/19/98

FROM 41-19-06-400-014 "68"

MASTER DEED

WATERMARK

(Act 59, Public Acts of 1978)
as amended

This Master Deed is signed on the 30th day of June, 1998, by Watermark Country Club Limited Partnership, a Michigan limited partnership of 660 Cascade West Parkway, S.E., Grand Rapids, Michigan (the "Developer").

PRELIMINARY STATEMENT

A. The Developer is engaged in developing an expandable Site Condominium Project to be known as Watermark (the "Project"), according to development plans on file with the Township of Cascade, Kent County, Michigan on a parcel of land described in Article II; and

B. The Developer desires, by recording this Master Deed together with the Condominium By-Laws attached as Exhibit "A" and the Condominium Subdivision Plan attached as Exhibit "B" (both of which are incorporated by reference as a part of the Master Deed), to establish the real property described in Article II, together with the improvements located and to be located on such property, as a site condominium project under the provisions of the Michigan Condominium Act, as amended (the "Act").

C. Upon the recording of this Master Deed, Watermark shall be established as a Condominium Project under the Act and shall be held, conveyed, encumbered, leased, rented, occupied, improved or in any other manner utilized, subject to the provisions of the Act and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations contained in this Master Deed, all of which shall be deemed to run with the land and to be a burden upon and a benefit to the Developer, its successors and assigns, and to any persons who may acquire or own an interest in such real property, their grantees, successors, heirs, personal representatives, administrators and assigns. In furtherance of the establishment of the Project, it is provided as follows:

ARTICLE I

NATURE OF PROJECT

1.1 Project Description. The Project is a residential site condominium. The 59 Condominium building sites (the "Units") which

will be developed in the first phase of the Project, including the number, boundaries, dimensions and area of each Unit, are shown on the Condominium Subdivision Plan. Each such Unit is capable of individual utilization by reason of having its own entrance from and exit to a common element of the Project.

1.2 Co-Owner Rights. Each Co-owner in the Project shall have an exclusive property right to his Unit and to the limited common elements which are appurtenant to his Unit, and shall have an undivided right to share with other Co-owners in the ownership and use of the general common elements of the Project as described in this Master Deed.

ARTICLE II

LEGAL DESCRIPTION

2.1 Condominium Property. The land which is being submitted to condominium ownership in accordance with the provisions of the Act, is described as follows:

Part of the West one-half of Section 5 and part of the Southeast one-quarter of Section 6, Town 6 North, Range 10 West, Cascade Township, Kent County, Michigan, described as: COMMENCING at the East one-quarter corner of said Section 6; thence South 01° 10' 33" West 115.50 feet along the East line of said Section 6; thence South 88° 49' 27" East 75.63 feet to the TRUE PLACE OF BEGINNING; thence South 88° 49' 27" East 224.37 feet; thence North 01° 10' 33" East 107.05 feet; thence North 01° 11' 06" East 73.36 parallel with the West line of the Northwest one-quarter of Section 5; thence South 55° 03' 55" East 195.21; thence North 41° 26' 07" East 112.65 feet to the Southwesterly right of way line of Cascade Road; thence South 48° 33' 53" East 66.00 feet along said right of way; thence South 41° 26' 07" West 129.52 feet; thence South 48° 33' 53" East 133.98 feet; thence South 07° 49' 53" West 361.82 feet; thence North 80° 28' 06" West 100.00 feet; thence South 18° 35' 56" West 267.80 feet; thence South 22° 42' 43" West 191.75 feet; thence South 34° 23' 55" West 247.22 feet; thence South 28° 06' 44" West 155.19 feet; thence South 21° 09' 43" West 279.63 feet; thence South 13° 07' 04" West 292.99 feet; thence South 78° 35' 10" East 271.31 feet; thence South 27° 10' 01" East 313.27 feet; thence South 12° 27' 26" West 179.45 feet; thence South 85° 54' 15" West 217.17 feet; thence North 45° 40' 10" West 152.82 feet; thence North 69° 32' 41" West 270.49 feet; thence Southwesterly 330.86 feet along a 233.00 foot radius curve to the right, the chord of which bears South 55° 01' 36.6" West 303.752 feet; thence North 84° 17' 37" West 114.65 feet; thence South 41° 26' 35" West 82.79 feet; thence Northwesterly 60.71 feet along a 333.00 foot radius curve to the left,

the chord of which bears North 59°03'35" West 60.63 feet; thence North 64°16'59" West 32.61 feet; thence Southwesterly 115.61 feet along a 333.00 foot radius curve to the right, the chord of which bears South 29°58'46" West 115.03 feet; thence North 14°08'43" West 87.69 feet; thence North 61°18'02" West 127.21 feet; thence North 19°40'43" East 334.27 feet; thence North 39°11'09" East 50.91 feet; thence South 80°10'15" East 566.21 feet; thence North 52°06'29" East 112.12 feet; thence North 07°50'14" East 397.26 feet; thence North 15°07'49" East 463.27 feet; thence North 30°54'07" East 356.27 feet; thence North 60°12'37" West 166.13 feet; thence North 01°29'10" West 239.46 feet; thence North 32°04'27" East 286.02 feet; thence South 31°22'25" East 107.16 feet along a meander line for an unnamed pond; thence South 70°27'13" East 124.49 feet along said meander line; thence South 89°05'28" East 55.70 feet along said meander line; thence North 41°26'48" East 49.06 feet along said meander line; thence North 20°07'38" West 51.17 feet along said meander line for an unnamed pond; thence North 16°42'42" East 198.25 feet; thence North 61°55'55" West 136.11 feet; thence North 01°10'33" East 62.11 feet to the Place of Beginning. ALSO all land lying between the meander line and the waters edge of said unnamed pond.

ARTICLE III

DEFINITIONS

3.1 Definitions. Certain terms are used in this Master Deed and in various other instruments such as, by way of example and not of limitation, the Articles of Incorporation, Association By-Laws and Rules and Regulations of the Watermark Condominium Association, a Michigan non-profit corporation, and various deeds, mortgages, land contracts, easements and other instruments affecting the establishment or transfer of interests in the Project. As used in such documents, unless the context otherwise requires:

(a) **Act.** "Act" or "Condominium Act" means the Michigan Condominium Act, which is Act 59 of the Public Acts of 1978, as amended.

(b) **Administrator.** "Administrator" means the Michigan Department of Consumer and Industry Services, which is designated to serve in such capacity by the Act.

(c) **Association.** "Association" or "Association of Co-owners" means Watermark Condominium Association, the Michigan non-profit corporation of which all Co-owners shall be members, which shall administer, operate, manage and maintain the Project.

(d) Association By-Laws. "Association By-Laws" means the corporate By-Laws of the Association organized to manage, maintain and administer the Project.

(e) Common Elements. "Common Elements", where used without modification, means the portions of the Project other than the condominium units, including all general and limited common elements described in Article IV of this Master Deed.

(f) Condominium By-Laws. "Condominium By-Laws" means Exhibit "A" to this Master Deed, which are the By-Laws setting forth the substantive rights and obligations of the Co-owners.

(g) Condominium Documents. "Condominium Documents" means this Master Deed with its exhibits, the Articles and Bylaws of the Association, the Rules and Regulations adopted by the Board of Directors and any other document which affects the rights and obligations of a Co-owner in the Condominium.

(h) Condominium Property. "Condominium Property" means the land described in Article II, as the same may be amended, together with all structures, improvements, easements, rights and appurtenances located on or belonging to such property.

(i) Condominium Subdivision Plan. "Condominium Subdivision Plan" means Exhibit "B" to this Master Deed, which is the site, survey and other drawings depicting the real property and improvements to be included in the Project.

(j) Condominium Unit. "Condominium Unit", "Unit" or "Building Site" means a single residential building site which is designed and intended for separate ownership and use, as described in this Master Deed.

(k) Co-owner. "Co-owner" means the person, firm, corporation, partnership, association, trust or other legal entity or any combination of such entities who or which own a Condominium Unit in the Project, including the vendee of any land contract of purchase who is not in default under the contract. The term "Owner", wherever used, shall be synonymous with the term "Co-owner".

(l) Developer. "Developer" means Watermark Country Club Limited Partnership, a Michigan limited partnership, which has made and executed this Master Deed, its successors and/or assigns.

(m) **Development and Sales Period.** "Development and Sales Period", for purposes of the Condominium Documents and the rights reserved by the Developer and its successors, shall be deemed to continue for as long as the Developer or its successors continue to own any Unit in the Project.

(n) **General Common Elements.** "General Common Elements" means those Common Elements of the Project described in Section 4.1, which are for the use and enjoyment of all Co-owners in the Project.

(o) **Limited Common Elements.** "Limited Common Elements" means those Common Elements of the Project described in Section 4.2, which are reserved for the exclusive use of the Co-owners of a specified Unit or Units.

(p) **Master Deed.** "Master Deed" means this instrument, together with the exhibits attached to it and all amendments which may be adopted in the future, by which the Project is being submitted to condominium ownership.

(q) **Percentage of Value.** "Percentage of Value" means the percentage assigned to each Unit by this Master Deed, which is determinative of the value of a Co-owner's vote at meetings of the Association when voting by value or by number and value, and the proportionate share of each Co-owner in the Common Elements of the Project.

(r) **Project.** "Project" or "Condominium" means Watermark, a residential site condominium development established in conformity with the provisions of the Act.

(s) **Transitional Control Date.** "Transitional Control Date" means the date on which a Board of Directors for the Association takes office pursuant to an election in which the votes that may be cast by eligible Co-owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

3.2 Applicability. Whenever any reference is made to one gender, it will be assumed to include any and all genders where such reference would be appropriate; similarly, whenever a reference is made to the singular, it will be assumed to include the plural where such reference would be appropriate.

ARTICLE IV

COMMON ELEMENTS

4.1 General Common Elements. The General Common Elements are:

(a) Land. The land described in Article II of this Master Deed (except for that portion described in Section 5.1 as constituting a part of a Condominium Unit, and any portion designated in Exhibit B as a Limited Common Element), including easement interests of the Condominium provided to it for ingress, egress and utility installation over, across and through non-condominium properties and/or individual Units in the Project;

(b) Improvements. The private drive and the common walkways, lawns, trees, shrubs and other improvements not located within the boundaries of a Condominium Unit. All structures and improvements located within the boundaries of a Condominium Unit shall be owned in their entirety by the Co-owner of the Unit within which they are located and shall not, unless expressly provided in the Condominium Documents, constitute Common Elements;

(c) Electrical. The electrical transmission system throughout the Project up to, but not including, the point of lateral connection for service to each residence now located or subsequently constructed within Unit boundaries;

(d) Gas. The natural gas line network and distribution system throughout the Project, up to, but not including, the point of lateral connection for service to each residence now located or subsequently constructed within Unit boundaries;

(e) Water. The water distribution system throughout the Project, up to, but not including, the point of lateral connection for service to each residence now located or subsequently constructed within Unit boundaries;

(f) Sanitary Sewer. The sanitary sewer system throughout the Project, up to, but not including, the point of lateral connection for service to each residence now located or subsequently constructed within Unit boundaries;

(g) Storm Drainage. The conservation easements, catch basins and storm drainage and retention system throughout the common areas of the Project;

(h) **Telephone.** The telephone wiring system throughout the Project up to, but not including, the point of lateral connection for service to each residence now located or subsequently constructed within Unit boundaries;

(i) **Telecommunications.** The cable television and/or other telecommunications systems installed throughout the Project up to, but not including, the point of lateral connection for service to each residence now located or subsequently constructed within Unit boundaries; and

(j) **Entry Improvements.** The entry signage and other improvements located at the entry to the Project; and

(k) **Miscellaneous.** All other Common Elements of the Project which are not designated as Limited Common Elements and are not enclosed within the boundaries of a Condominium Unit, and which are intended for common use or are necessary to the existence, upkeep or safety of the Project.

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

4.2 Limited Common Elements. The Limited Common Elements are:

(a) **Utility Service Lines.** The pipes, ducts, wiring and conduits supplying service for electricity, gas, water, sewage, telephone, television and/or other utility or telecommunication services to or from a Unit, up to and including the point of lateral connection with a General Common Element of the Project or utility line or system owned by the local public authority or company providing the service;

(b) **Subterranean Land.** The subterranean land located within Unit boundaries, from and below a depth of fifteen (15) feet as shown on Exhibit B, including all utility and/or supporting lines located on or beneath such land;

(c) **Footings and Foundations.** The portion of any footing or foundation extending more than fifteen (15) feet below surrounding grade level;

(d) **Yard Areas.** The portion of any yard area designated as a Limited Common Element on the Condominium Subdivision Plan (Exhibit B), which is limited in use to the Unit of which it is a part;

(e) **Delivery Boxes.** The mail and/or paper box located on a Unit or permitted by the Association on the General Common Elements to serve the residence constructed on a Unit;

(f) **Driveways and Sidewalks.** The portion of any driveway and/or sidewalk located between the Unit and the paved common roadway; and

(g) **Miscellaneous.** Any other improvement designated as a Limited Common Element appurtenant to a particular Unit or Units in the Subdivision Plan attached as Exhibit B or in any future amendment to the Master Deed made by the Developer or the Association.

In the event that no specific assignment of all the Limited Common Elements described in this Section has been made in the Condominium Subdivision Plan, the Developer (during the Development and Sales Period) and the Association (after the Development and Sales Period has expired) reserve the right to designate each such space or improvement as a Limited Common Element appurtenant to a particular Unit by subsequent amendment or amendments to this Master Deed.

4.3 Maintenance Responsibilities. Responsibility for the cleaning, decoration, maintenance, repair and replacement of the Common Elements will be as follows:

(a) **Limited Common Elements.** Each Co-owner shall be individually responsible for the routine cleaning, snow removal, maintenance, repair and replacement of all Limited Common Elements appurtenant to his Unit, except for the structural repair and replacement of the driveways and/or sidewalks described in subparagraph (f).

(b) **Unit Improvements.** Unit owners shall also be responsible for the maintenance, repair and replacement of all structures and improvements, and the maintenance and mowing of all yard areas situated within the boundaries of a Unit, including any portions which may extend beyond Unit boundaries up to the paved roadway. If a Co-owner elects, with the prior written consent of the Association, to construct or install any improvements within a Unit or on the Common Elements which increase

the costs of maintenance, repair or replacement for which the Association is responsible, such increased costs or expenses may, at the option of the Association, be specially assessed against such Unit or Units.

The exterior appearance of all structures, improvements and yard areas (to the extent visible from any other Unit or from a Common Element), shall be subject at all times to the approval of the Association and to such reasonable aesthetic and maintenance standards as may be prescribed by the Association in duly adopted rules and regulations; provided, that the Association may not disapprove the appearance of an improvement so long as it is maintained as constructed by the Developer or constructed with the Developer's approval.

(c) **Other Common Elements.** The cost of cleaning, decoration, maintenance, repair and replacement of all Common Elements other than as described above shall be the responsibility of the Association, except to the extent of repair or replacement of a Common Element due to the act or neglect of a Co-owner or his agent, invitee, family member or pet.

4.4 Oversight Authority. While it is intended that each Co-owner will be solely responsible for the performance and cost of maintaining, repairing and replacing the residence and all other improvements constructed or located within a Unit, it is nevertheless a matter of concern that a Co-owner may fail to properly maintain the exterior of his residence, improvements or any appurtenant Limited Common Element in a proper manner and in accordance with the standards adopted by the Association.

(a) **Maintenance by Association.** In the event a Co-owner fails, as required by this Master Deed, the By-laws or any rules or regulations promulgated by the Association, to properly and adequately decorate, repair, replace or otherwise maintain his Unit, any structure or improvement located within the Unit or any appurtenant Limited Common Element, the Association (and/or the Developer during the Development and Sales Period) shall have the right, but not the obligation, to undertake such reasonably uniform, periodic exterior maintenance functions with respect to residences, yard areas or other improvements constructed or installed within any Unit boundary as it may deem appropriate (including without limitation painting or other decoration, lawn mowing, snow removal, tree trimming and replacement of shrubbery and other plantings); provided, that the Association (or Developer) will in no event be obligated to repair or maintain any such Common Element or improvement. Failure of the Association (or the Developer) to take any such

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action shall not be deemed a waiver of the Association's (or Developer's) right to take any such action at a future date.

(b) **Assessment of Costs.** All costs incurred by the Association or the Developer in performing any maintenance functions which are the primary responsibility of a Co-owner shall be charged to the affected Co-owner or Co-owners on a reasonably uniform basis and collected in accordance with the assessment procedures established by the Condominium By-laws. The lien for nonpayment shall attach to any such charges as in all cases of regular assessments and may be enforced by the use of all means available to the Association under the Condominium Documents or by law for the collection of regular assessments, including without limitation, legal action, foreclosure of the lien securing payment and the imposition of fines.

4.5 Power of Attorney. By acceptance of a deed, mortgage, land contract or other instrument of conveyance or encumbrance all Co-owners, mortgagees and other interested parties shall be deemed to have appointed the Developer (during the Development and Sales Period) and/or the Association (after the Development and Sale Period has expired) as their agent and attorney, to act in connection with all matters concerning the Common Elements and their respective interests in the Common Elements. Without limiting the generality of this appointment, the Developer (or Association) will have full power and authority to grant easements over, to sever or lease mineral interests and/or to convey title to the land or improvements constituting the General Common Elements or any part of them, to dedicate as public streets any part of the General Common Elements, to amend the Condominium Documents for the purpose of assigning or reassigning the Limited Common Elements and in general to execute all documents and to do all things necessary or convenient to the exercise of such powers.

4.6 Separability. Except as provided in this Master Deed, Condominium Units shall not be separable from their appurtenant Common Elements, and neither shall be used in any manner inconsistent with the purposes of the Project, or in any other way which might interfere with or impair the rights of other Co-owners in the use and enjoyment of their Units or their appurtenant Common Elements.

ARTICLE V

ESTABLISHMENT AND MODIFICATION OF UNITS

5.1 Description of Units. A complete description of each Condominium Unit in the Project, with elevations referenced to an official benchmark of the United States Geological Survey, is contained in the Condominium Subdivision Plan as surveyed by Moore

& Bruggink, P.C., consulting engineers and surveyors. Site plans have been filed with the Township of Cascade, Kent County, Michigan. Each such Unit shall include the space located within Unit boundaries from and above a depth of fifteen (15) feet and extending upwards to a height of fifty-five (55) feet above the surface, as shown on Exhibit B and as delineated with heavy outlines, together with all appurtenances to the Unit.

5.2 Percentage of Value. The total value of the Project is 100, and the percentage of such value which is assigned to each of the 59 Condominium Units in Phase I of the Project shall be equal. The determination that Percentages of Value for all such Units shall be equal was made after reviewing the comparative characteristics of each Unit which would affect maintenance costs and value and concluding that there are no material differences among them as far as the allocation of Percentages of Value is concerned. The Percentage of Value assigned to each Unit shall be changed only in the manner permitted by Article IX, expressed in an Amendment to this Master Deed and recorded in the public records of Kent County, Michigan.

5.3 Unit Modification. The number, size, type and/or location of Units or of any Limited Common Element appurtenant to a Unit may be modified from time to time by the Developer or its successors without the consent of any Co-owner, mortgagee or other interested person, so long as such modifications do not unreasonably impair or diminish the appearance of the Project or the view, privacy or other significant attribute of any Unit which adjoins or is proximate to the modified Unit or Limited Common Element; provided, that no Unit which has been sold or which is subject to a binding Purchase Agreement shall be modified without the consent of the Co-owner or Purchaser and the mortgagee of such Unit. The Developer may also, in connection with any such modification, readjust Percentages of Value for all Units in a manner which gives reasonable recognition to such changes based upon the method of original determination of Percentages of Value for the Project.

5.4 Conditions Precedent. Unless prior approval has been obtained from the title insurance company issuing policies to Unit purchasers, no Unit modified pursuant to Section 5.3 shall be conveyed until an amendment to the Master Deed reflecting all material changes has been recorded. All Co-owners, mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have unanimously consented to any such amendments, and to have granted a Power of Attorney to the Developer and its successors for such purpose which is similar in nature and effect to that described in Section 4.5 of this Master Deed.

ARTICLE VI

EXPANSION OF CONDOMINIUM

6.1 Future Development Area. The Condominium Project established by this Master Deed consists of 59 Condominium Units which may, at the election of the Developer, be treated as the first phase of an expandable condominium under the Act to contain in its entirety a maximum of 300 Units. Additional Units, if any, will be established upon all or some portion of the following described land (the "Future Development Area"):

Lots 154 through 158 (inclusive), Cascade Gardens and part of the East one-half of Section 6 and part of the West one-half of Section 5, Town 6 North, Range 10 West, Cascade Township, Kent County, Michigan, and all being described as: BEGINNING on the East-West one-quarter line of Section 5, at a point being South 87°12'41" East 300.12 feet from the West one-quarter corner of said Section 5; thence South 01°10'33" West 107.05 feet; thence North 88°49'27" West 224.37 feet; thence South 01°10'33" West 62.11 feet; thence South 61°55'55" East 136.11 feet; thence South 16°42'42" West 198.25 feet; thence South 20°07'38" East 30.20 feet; thence South 80°07'55" East 105.42 feet; thence Southerly 4.90 feet along a 833.00 foot radius curve to the left, the chord of which bears South 09°42'00" West 4.896 feet; thence South 09°31'54" West 12.71 feet; thence North 80°28'06" West 67.49 feet; thence South 61°36'58" West 67.78 feet; thence North 89°05'28" West 55.70 feet; thence North 70°27'13" West 79.13 feet; thence North 01°10'33" East 490.61 feet along the East line of Section 6; thence North 88°31'00" West 958.55 feet along the East-West one-quarter line; thence Northerly 1175.00 feet more or less along the Easterly right of way line of Galbraith Avenue; thence South 48°33'53" East 1352.67 feet along the Southwesterly right of way line of Cascade Road to a line bearing North 01°11'06" East from the Place of Beginning; thence South 01°11'06" West 249.91 feet to the Place of Beginning.

ALSO that part of the South one-half of the Northeast one-quarter of Section 7, Town 6 North, Range 10 West, Cascade Township, Kent County, Michigan, lying East of Burton Pointe, Kent County Condominium Subdivision Plat No. 248.

ALSO the Southwest one-quarter of the Southeast one-quarter of Section 6, Town 6 North, Range 10 West, Cascade Township, Kent County, Michigan.

ALSO the North one-half of the Northeast one-quarter of Section 7, Town 6 North, Range 10 West, Cascade Township, Kent County, Michigan, **EXCEPT** the South 208.71 feet of the West 208.71 feet thereof and **ALSO EXCEPT** that part lying Northeast of a line described as: **BEGINNING** on the North line of Section 7, Town 6 North, Range 10 West, at a point being North 88°14'45" West 1037.39 feet from the Northeast corner of Section 7; thence South 31°01'17" East 606.07 feet; thence South 88°45'10" East 714.00 feet to the place of ending of said line. **ALSO EXCEPT** the East 165.00 feet thereof.

ALSO part of the Southeast one-quarter of the Southeast one-quarter of Section 6, Town 6 North, Range 10 West, Cascade Township, Kent County, Michigan, described as: **BEGINNING** on the South section line at a point being North 88°14'45" West 1037.39 feet from the Southeast corner of said Section 6; thence North 88°14'45" West 290.45 feet; thence North 01°16'48" East 593.49 feet along the West line of the Southeast one-quarter of the Southeast one-quarter of said section; thence South 80°10'15" East 257.73 feet; thence South 19°50'03" West 297.94 feet; thence South 19°08'44" West 87.01 feet; thence South 61°18'02" East 110.00 feet; thence North 79°30'53" East 80.24 feet; thence South 86°28'13" West 128.58 feet; thence Southwesterly 115.61 feet along a 333.00 foot radius curve to the right, the chord of which bears South 29°58'32" West 115.03 feet; thence South 31°01'17" East 67.57 feet to the Place of Beginning.

6.2 Addition of Units. The number of Units in the Project may, at the option of the Developer from time to time within a period ending not later than six (6) years after the initial recording of a Master Deed, be increased by the addition of all or any portion of the Future Development Area and the establishment of Units on such area. The nature, location, size, types and dimensions of the Units and other improvements to be located within the Future Development Area will be determined by the Developer in its sole discretion. No Unit will be created within any part of the Future Development Area which is added to the Condominium that is not restricted exclusively to residential use.

6.3 Expansion Not Mandatory. None of the provisions of this Article will in any way obligate the Developer to enlarge the Condominium Project beyond the initial phase established by this Master Deed and the Developer may, in its discretion, establish all or a portion of the Future Development Area as a separate condominium project (or projects) or as any other form of development. There are no restrictions on the election of the Developer to expand the Project other than as explicitly provided in this Article. There is no obligation on the part of the Developer to add to the Condominium Project all or any portion of the Future Development Area as described in this Article nor is

there any obligation to add portions in any particular order nor to construct any particular improvements on the added property.

6.4 Amendment(s) to Master Deed. An increase in the size of the Project by the Developer will be given effect by an appropriate amendment or amendments to the Master Deed, which amendment(s) will not require the consent or approval of any Co-owner, mortgagee or other interested person. Such amendment(s) will be prepared by and at the sole discretion of the Developer, and may proportionately adjust the Percentages of Value assigned by Section 5.2 in order to preserve a total value of one hundred (100%) percent for the entire Project. The precise determination of the readjustments in Percentages of Value (if any) will be made in the sole judgment of the Developer. Such readjustments, however, will reflect a continuing reasonable relationship among Percentages of Value based upon the original method of determining Percentages of Value for the Project.

6.5 Redefinition of Common Elements. The amendment or amendments to the Master Deed made by the Developer to expand the Condominium may also contain such further definitions and redefinitions of General or Limited Common Elements as the Developer may determine to be necessary or desirable in order to adequately describe, serve and provide access to the additional parcel or parcels being added to the Project. In connection with any such amendment(s), Developer will have the right to change the nature of any Common Element previously included in the Project for any purpose reasonably necessary to achieve the intent of this Article, including, but not limited to, the connection of roadways in the Project to any roadways that may be located on or planned for the area of future development, and to provide access to any Unit that is located on or planned for the area of future development from the roadways located in the Project.

6.6 Additional Provisions. The amendment or amendments to the Master Deed made by the Developer to expand the Condominium may also contain such provisions as the Developer may determine necessary or desirable: (i) to make the Project contractible and/or convertible as to portions of the parcel or parcels being added to the Project; (ii) to create easements burdening or benefitting portions of the parcel or parcels being added to the Project; and (iii) to create or change restrictions or other terms and provisions affecting the additional parcel or parcels being added to the Project or affecting the balance of the Project as may be reasonably necessary in the Developer's judgment to enhance the value or desirability of the Units to be located within the additional parcel or parcels being added.

ARTICLE VII

CONTRACTION OF CONDOMINIUM

7.1 Limits of Contraction. The Condominium Project established by this Master Deed consists of 59 Condominium Units and may, at the election of the Developer, be contracted to a minimum of 12 Units.

7.2 Withdrawal of Units. The number of Units in the Project may, at the option of the Developer from time to time within a period ending not later than six (6) years after the initial recording of a Master Deed, be decreased by the withdrawal of all or any portion of the lands described in Article II; provided, that no Unit which has been sold or which is the subject of a binding Purchase Agreement may be withdrawn without the consent of the Co-owner, purchaser and/or mortgagee of such Unit. The Developer may also, in connection with any such contraction, readjust Percentages of Value for Units in the Project in a manner which gives reasonable recognition to the number of remaining Units, based upon the method of original determination of Percentages of Value.

Other than as provided in this Article, there are no restrictions or limitations on the right of the Developer to withdraw lands from the Project or as to the portion or portions of land which may be withdrawn, the time or order of such withdrawals or the number of Units and/or Common Elements which may be withdrawn; provided, however, that the lands remaining shall not be reduced to less than that necessary to accommodate the remaining Units in the Project with reasonable access and utility service to such Units.

7.3 Contraction not Mandatory. There is no obligation on the part of the Developer to contract the Condominium Project nor is there any obligation to withdraw portions of the Project in any particular order nor to construct particular improvements on any withdrawn lands. The Developer may, in its discretion, establish all or a portion of the lands withdrawn from the Project as a separate condominium project (or projects) or as any other form of development. Any development on the withdrawn lands will, however, be residential in character or at least not detrimental to the adjoining residential development.

7.4 Amendment(s) to Master Deed. A withdrawal of lands from this Condominium Project by the Developer will be given effect by an appropriate amendment or amendments to the Master Deed, which amendment(s) will not require the consent or approval of any Co-owner, mortgagee or other interested person. Such amendment(s) will be prepared by and at the sole discretion of the Developer, and may proportionately adjust the Percentages of Value assigned by Section 5.2 in order to preserve a total value of one hundred

(100%) percent for the entire Project resulting from such amendment or amendments.

7.5 Additional Provisions. Any amendment or amendments to the Master Deed made by the Developer to contract the Condominium may also contain such provisions as the Developer may determine necessary or desirable: (i) to create easements burdening or benefitting portions or all of the parcel or parcels being withdrawn from the Project; and (ii) to create or change restrictions or other terms and provisions, including designations and definition of Common Elements, affecting the parcel or parcels being withdrawn from the Project or affecting the balance of the Project, as reasonably necessary in the Developer's judgment to enhance the value or desirability of the parcel or parcels being withdrawn from the Project.

ARTICLE VIII

EASEMENTS

8.1 Conservation Easements. Certain portions of the Condominium Premises designated as "Conservation Easements" on the Condominium Subdivision Plan are regulated wetlands. Such wetlands shall remain substantially in their natural condition for the enjoyment of the Co-owners and the protection of their property values. These easements shall be observed in perpetuity, and are excluded from any time limitations set forth in the Master Deed.

Except as otherwise provided by the Michigan Goemaere-Anderson Wetland Protection Act (P.A. 203, 1979), or by a permit obtained from the Michigan Department of Natural Resources under Section 7-12 thereof, a person shall not:

- (1) Deposit or permit the placing of fill material in the wetland;
- (2) Dredge, remove or permit the removal of soil or minerals from the wetland;
- (3) Construct, operate or maintain any use or development in the wetland; or
- (4) Drain surface water from the wetland.

8.2 Easements for Maintenance and Repair. In the event that any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to the shifting, settling or moving of a building, or due to survey errors or construction deviations, reciprocal easements shall exist for the maintenance of the encroachment for so long as the encroachment exists, and for the maintenance of the encroachment after rebuilding in the event of destruction. There shall also be permanent easements in favor of the Association (and/or the Developer during the Development and

Sale Period) for the maintenance and repair of Common Elements for which the Association (or Developer) may from time to time be responsible or for which it may elect to assume responsibility, and there shall be easements to, through and over those portions of the land (including the Units) as may be reasonable for the installation, maintenance and repair of all utility services furnished to the Project. Public utilities shall have access to the Common Elements and to the Units at such times as may be reasonable for the installation, repair or maintenance of such services, and any costs incurred in the opening or repairing of any common element or other improvement to install, repair or maintain utility services to the Project shall be an expense of administration assessed against all Co-owners in accordance with the Condominium By-Laws.

8.3 Easements Reserved by Developer. Until the sale of all Units in the Project as described in Articles I and VI of this Master Deed or of any other project developed by the Developer or its successors on the property described in Article VI has been completed, the Developer reserves non-exclusive easements for the benefit of itself, its successors and assigns which may be utilized at any time or times without the payment of any fee or charge other than the reasonable cost of corrective work performed, utilities consumed and/or maintenance required as a direct result of such use:

(a) to use, improve and/or extend all roadways, drives and walkways in the Condominium for the purpose of ingress and egress to and from any Unit owned by it and to and from all or any portion of the land described in Article VI; and

(b) to utilize, tap, tie into, extend and/or enlarge all utility lines and mains, public and private, located on the land described in Article II.

Provided, that if the Article VI property is not added to this Project the easements described above shall be permanent, subject to payment by the owners of the benefitted property of a reasonable share of the cost of maintenance and repair of the improvements constructed on such easements.

ARTICLE IX

AMENDMENT AND TERMINATION

9.1 Pre-Conveyance Amendments. If there is no Co-owner other than the Developer, the Developer may unilaterally amend the Condominium Documents or, with the consent of any interested mortgagee, unilaterally terminate the Project. All documents reflecting such amendment or termination shall be recorded in the public records of Kent County, Michigan.

9.2 Post-Conveyance Amendments. If there is a Co-owner other than the Developer, the recordable Condominium Documents may be amended for a proper purpose as follows:

(a) **Non-Material Changes.** The amendment may be made without the consent of any Co-owner or mortgagee if the amendment does not materially alter or change the rights of any Co-owner or mortgagee of a Unit in the Project, including, but not limited to: (i) amendments to modify the dimensions of unsold Condominium Units and their appurtenant Limited Common Elements; (ii) amendments correcting survey or other errors in the Condominium Documents; or (iii) amendments for the purpose of facilitating conventional mortgage loan financing for existing or prospective Co-owners, and enabling the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and/or any other agency of the federal government or the State of Michigan.

(b) **Material Changes.** The amendment may be made, even if it will materially alter or change the rights of the Co-owners or mortgagees, with the consent of not less than two-thirds of the Co-owners and mortgagees; provided, that a Co-owner's Unit dimensions or Limited Common Elements may not be modified without his consent, nor may the formula used to determine Percentages of Value for Phase I of the Project or provisions relating to the ability or terms under which a Unit may be rented be modified without the consent of the Developer and each affected Co-owner and mortgagee. Rights reserved by the Developer, including without limitation rights to amend for purposes of expansion, contraction and/or modification of units, shall not be further amended without the written consent of the Developer so long as the Developer or its successors continue to own or to offer for sale any Unit in the Project. For purposes of this sub-section, a mortgagee shall have one vote for each first mortgage held.

(c) **Compliance With Law.** Material amendments may be made by the Developer without the consent of Co-owners and mortgagees, even if the amendment will materially alter or change the rights of Co-owners and mortgagees, to achieve compliance with the Act or rules, interpretations or orders adopted by the Administrator or by the Courts pursuant to the Act, or with other federal, state or local laws, ordinances or regulations affecting the Project.

(d) **Reserved Developer Rights.** A material amendment may also be made unilaterally by the Developer

without the consent of any Co-owner or mortgagee for the specific purpose(s) reserved by the Developer in this Master Deed. During the Development and Sales Period, this Master Deed and Exhibits A and B hereto shall not be amended nor shall their provisions be modified in any way without the written consent of the Developer, its successors or assigns.

(e) **As Built Plans.** A Consolidating Master Deed or Amendment with as-built plans attached shall be prepared and recorded by the Developer as required by the Act when construction of the Project has been completed. Such documents may incorporate changes made by previous amendments, restate some or all of the provisions of this Master Deed and of the Exhibits attached, delete provisions or parts of provisions which benefit the Developer, which have been superseded or the effectiveness of which has expired, and make such further changes as do not materially affect the rights of Co-owners and mortgagees.

(f) **Costs of Amendments.** A person causing or requesting an amendment to the Condominium Documents shall be responsible for costs and expenses of the amendment, except for amendments based upon a vote of the prescribed majority of Co-owners and mortgagees or based upon the Advisory Committee's decision, the costs of which are expenses of administration. The Co-owners and mortgagees of record shall be notified of proposed amendments under this Section not less than 10 days before the amendment is recorded.

9.3 Project Termination. If there is a Co-owner other than the Developer, the Project may be terminated only with consent of the Developer and not less than 80% of the Co-owners and mortgagees, in the following manner:

(a) **Termination Agreement.** Agreement of the required number of Co-owners and mortgagees to termination of the Project shall be evidenced by their execution of a Termination Agreement, and the termination shall become effective only when the Agreement has been recorded in the public records of Kent County, Michigan.

(b) **Real Property Ownership.** Upon recordation of an instrument terminating the Project, the property constituting the Condominium shall be owned by the Co-owners as tenants in common in proportion to their respective undivided interests in the Common Elements immediately before recordation. As long as the tenancy in common lasts, each Co-owner or his/her heirs, successors or assigns shall have an exclusive right of

occupancy of that portion of the property which formerly constituted their Condominium Unit.

(c) **Association Assets.** Upon recordation of an instrument terminating the Project, any rights the Co-owners may have to the assets of the Association shall be in proportion to their respective undivided interests in the Common Elements immediately before recordation, except that common profits shall be distributed in accordance with the Condominium Documents and the Act.

(d) **Notice to Interested Parties.** Notification of termination by first class mail shall be made to all parties interested in the Project, including escrow agents, land contract vendors, creditors, lien holders, and prospective purchasers who deposited funds. Proof of dissolution must also be submitted to the administrator.

ARTICLE X

ASSIGNMENT OF DEVELOPER RIGHTS

10.1 **Right to Assign.** Any or all of the rights and powers granted to or reserved by the Developer in the Condominium Documents or by law, including without limitation the power to approve or to disapprove any act, use or proposed action, may be assigned by the Developer to any other entity or person, including the Association. Any such assignment or transfer shall be made by appropriate instrument in writing, and shall be duly recorded in the office of the Kent County Register of Deeds.

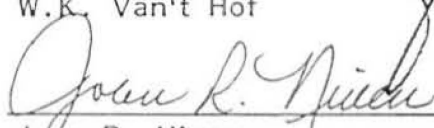
THIS MASTER DEED has been executed by the Developer as of the day and year which appear on page one.

Witnesses:

WATERMARK COUNTRY CLUB LIMITED
PARTNERSHIP

By: Forest Hills Development, L.L.C.
Its General Partner



W.K. Van't Hof


Joan R. Niven

By: 

Kevin Einfeld, Member
And: 

Douglas A. Bouwer, Member

STATE OF MICHIGAN)
) ss.
COUNTY OF KENT)

This instrument was acknowledged before me the 30th day of June, 1998 by Kevin Einfeld and Douglas A. Bouwer, the members of Forest Hills Development, L.L.C., the General Partner of Watermark Country Club Limited Partnership, on behalf of the partnership.

Joan R. Niven
Joan R. Niven
Notary Public, Kent County, MI
My commission expires: 4/06/01

#57986

EXHIBIT C

CONSENT TO SUBMISSION OF REAL PROPERTY
TO CONDOMINIUM PROJECT

WHEREAS, WATERMARK COUNTRY CLUB limited partnership, a Michigan limited partnership, as Developer, intends to establish Watermark as a site condominium project by recordation in the office of the Kent County Register of Deeds of a Master Deed of Watermark, submitting to condominium ownership the real property in the Township of Cascade, Kent County, Michigan, described therein; and

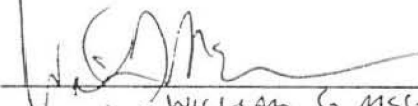
WHEREAS, FIRST OF AMERICA BANK, N.A., a national banking association, is interested in the above-described premises as mortgagee under a certain mortgage dated August 15, 1997, and recorded at Liber 4122, Page 874 of Kent County Records;

NOW, THEREFORE, FIRST OF AMERICA BANK, N.A., as Mortgagee, hereby consents to the submission of the aforesaid property to the condominium project described and set forth in said Master Deed, acknowledges that a program has been agreed upon with the Developer for the release of individual condominium units at the time of closing on sale, and consents to the recordation of said Master Deed in the office of the Register of Deeds for Kent County, Michigan.

Dated: September 2, 1997

Witnesses:

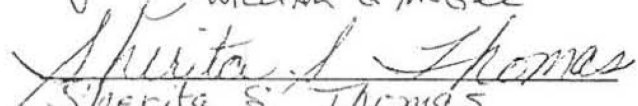
FIRST OF AMERICA BANK, N.A.



WILLIAM G. MCGEE

By 

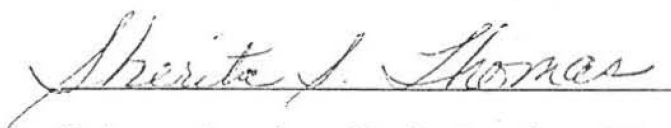
Jack Nelligan
Its Vice President



Sherita S. Thomas

STATE OF MICHIGAN)
) ss.
COUNTY OF KENT)

This instrument was acknowledged before me the 2nd day of September, 1997 by Jack Nelligan the Vice President of First of America Bank, N.A. on behalf of the corporation.



Notary County, Kent County, MI
My commission expires: 02/17/2000

DRAFTED BY:
William K. Van't Hof
Varnum, Riddering, Schmidt & Howlett^{LLP}
Bridgewater Place - P.O. Box 352
Grand Rapids, MI 49501-0352

SHERITA S. THOMAS
Notary Public, Kent County, MI
My Commission Expires Feb. 17, 2000

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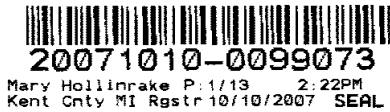
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**SEVENTH AMENDMENT TO MASTER DEED OF
WATERMARK**

This Seventh Amendment to Master Deed is made and executed on this 24th day of September, 2007, by WATERMARK CONDOMINIUM ASSOCIATION, a Michigan non-profit corporation, with respect to the following facts and circumstances.

RECITALS

A. Watermark is a condominium project existing pursuant to Act 59 of the Public Acts of 1978, as amended, according to a Master Deed dated June 30, 1998, recorded in Liber 4414 on Pages 868 through 934, inclusive, as amended by First Amendment to Master Deed recorded in Liber 4920, on Pages 1366 through 1387, inclusive, Second Amendment recorded in Liber 5238, on Pages 1064 through 184, inclusive, Third Amendment recorded in Liber 5908, on Pages 193 through 201, inclusive, Fourth Amendment recorded in Liber 6587, on Pages 359 through 377, inclusive, Fifth Amendment recorded as Instrument No. 20031125-023952, and Sixth Amendment recorded as Instrument No. 20070511-0050449, in the office of the Kent County Register of Deeds and designated Kent County Condominium Subdivision Plan No. 425 (the "Master Deed").

B. Watermark, along with Watermark Club Homes and Watermark Estate Homes (collectively, the "Condominiums") comprise a single residential community commonly known as the "Watermark Residences" and share certain entrances, signage, lighting, private drives, utilities and landscaping in common (the "Shared Infrastructure"). The Shared Infrastructure is located, generally, within certain easement areas (the "Easement Areas") defined in the following easement agreements entered into by and among the three Condominiums: (i) Easement Agreement dated August 31, 1998 and recorded with the Kent County Register of Deeds in Liber 4486 on Pages 948 through 952, inclusive; (ii) Easement Agreement dated March 12, 2001 and recorded with the Kent County Register of Deeds in Liber 5336 on Pages 369 through 375, inclusive; (iii) Easement Agreement dated March 12, 2001 and recorded with the Kent County Register of Deeds in Liber 5336 on Pages 376 through 386, inclusive; and (iv) Assignment of Non Exclusive Easement Agreement dated March 12, 2001 and recorded with the Kent County

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Register of Deeds in Liber 5336 on Pages 367 through 368, inclusive (collectively, the "Easement Agreements").

C. The Easement Agreements provide a methodology for sharing expenses for the maintenance, repair and replacement of the Shared Infrastructure (the "Shared Community Expenses") among the Condominiums' associations of co-owners (the "Associations"), but do not contemplate: (i) improvements to the existing Shared Infrastructure; or (ii) additional capital improvements within the Easement Area. Further, several of the Easement Agreements do not address the need for Watermark Club Homes and Watermark Estate Homes to have input into the decision making process with respect to decisions regarding the maintenance, repair and replacement of the Shared Infrastructure.

D. The Associations have each acknowledged that proper maintenance, upkeep, administration and improvement of the Easement Area affects property values, security, safety and quality of life within each of the Condominiums and therefore desire to cooperate to further define the methodology for budgeting and collecting the Shared Community Expenses and to allow for improvements to the Shared Infrastructure and/or additional capital improvements within the Easement Area for the benefit of the Co-Owners of each of the Associations.

E. Article IX permits the amendment of the Master Deed, even if the amendment will materially alter or change the rights of Co-owners or mortgagees, with the consent of not less than two-thirds of the Co-owners and, where applicable, mortgagees.

F. The Association, having obtained the necessary consents of not less than two-thirds of the Co-owners, and having determined that consents of mortgagees are not required for this amendment, desires to: (i) amend the Master Deed to provide for a three-party agreement among the Associations for the purposes outlined above (the "Shared Expense Agreement"), and (ii) establish and declare that the Shared Expense Agreement supersedes and amends the Master Deed to the extent of any inconsistency therewith.

AMENDMENT

The Watermark Master Deed is hereby amended as follows:

1. The Master Deed is amended to add the following Article XI:

"Article XI

SHARED COMMUNITY EXPENSES

11.1 Purpose. It being acknowledged that (i) the Condominium is one of three condominiums comprising the single



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Kent Cnty MI Rgstr 10/10/2007 SEAL

residential community commonly known as the "Watermark Residences", and (ii) proper maintenance, repair and replacement of the Shared Infrastructure and new capital improvement of the Easement Areas is necessary for the protection and enhancement of property values, security, safety and quality of life within each of the Associations, it is determined to be necessary to arrange for a system of shared community expenses.

11.2 Shared Expense Agreement. The Condominium consents to and adopts the Shared Expense Agreement in the form attached hereto as Attachment A. The Shared Expense Agreement shall supersede the provisions of this Master Deed to the extent of any inconsistency herewith with regard to special assessments for Shared Community Expenses, as the same are defined therein.

11.3 Amendment. The Shared Expense Agreement may be further amended or modified in the manner set forth in the Shared Expense Agreement. The provisions for amendment of the Shared Expense Agreement shall supersede the provisions of this Master Deed to the extent of any inconsistency herewith."

2. The recitals to this Seventh Amendment to Master Deed are incorporated herein by reference as though fully set forth herein.

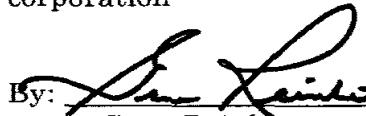
3. In all other respects the Master Deed shall remain unmodified and in full force and effect.

4. This Seventh Amendment to Master Deed shall be effective upon recording with the office of the Kent County Register of Deeds.

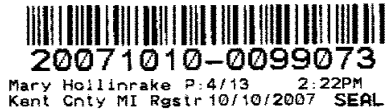
5. Unless otherwise defined in this Seventh Amendment to Master Deed, all capitalized terms shall have the meanings ascribed to them in the Master Deed.

IN WITNESS WHEREOF, the Association has duly executed this Seventh Amendment to Master Deed as of the date first set forth above.

WATERMARK CONDOMINIUM
ASSOCIATION, a Michigan non-profit
corporation

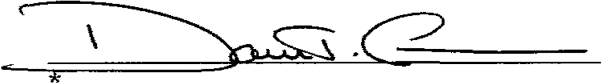
By: 
Gene Reinke
Its: President

STATE OF MICHIGAN)
) ss.
COUNTY OF KENT)



Acknowledged before me this 24TH day of September, 2007, by Gene Reinke, President of Watermark Condominium Association, a Michigan non-profit corporation, for the corporation.

David T. Caldon
Notary Public, Kent County, Michigan
Acting in Kent County
My Commission Expires October 22, 2012


*
Notary Public, Kent County, MI
Acting in Kent County
My commission expires: _____

DRAFTED BY AND RETURN TO AFTER RECORDING:

David T. Caldon
Law, Weathers & Richardson, P.C.
Bridgewater Place - Suite 800
333 Bridge, N.W.
Grand Rapids, Michigan 49504

14130 (001) 335073.02

ATTACHMENT A

SHARED EXPENSE AGREEMENT

This Shared Expense Agreement is made this ____ day of _____, 2007, by and among WATERMARK CONDOMINIUM ASSOCIATION, a Michigan nonprofit corporation, c/o Roger Bera, Precision Property Management, 345 32nd Street, SE, Wyoming, Michigan 49548 (the "Watermark Association"), WATERMARK CLUB HOMES CONDOMINIUM ASSOCIATION, a Michigan nonprofit corporation, c/o Roger Bera, Precision Property Management, 345 32nd Street, SE, Wyoming, Michigan 49548 (the "Club Homes Association") and WATERMARK ESTATE HOMES CONDOMINIUM ASSOCIATION, a Michigan nonprofit corporation, c/o Roger Bera, Precision Property Management, 345 32nd Street, SE, Wyoming, Michigan 49548 (the "Estate Homes Association") and together with the Watermark Association and the Club Homes Association, the "Associations", for their mutual benefit, and is based upon the following facts and circumstances.

RECITALS

A. Watermark Association, Club Homes Association and Estate Homes Association, are, respectively, the associations of co-owners of Watermark, Watermark Club Homes and Watermark Estate Homes (individually a "Condominium" and collectively, the "Condominiums"), which together comprise a single residential community commonly known as the "Watermark Residences" and share certain entrances, signage, lighting, private drives, utilities and landscaping in common (as more fully described below, the "Shared Infrastructure"). The Shared Infrastructure is located, generally, within certain easement areas (the "Easement Areas") defined in the various easement agreements entered into by and among the three Condominiums which are described on the attached Exhibit A (collectively, the "Easement Agreements").

B. The Easement Agreements provide a methodology for sharing expenses for the maintenance, repair and replacement of the Shared Infrastructure among the Associations (the "Shared Community Expenses"), but do not contemplate: (i) improvements to the existing Shared Infrastructure; or (ii) additional capital improvements within the Easement Areas (collectively, "Shared Capital Expenses"). Further, the Easement Agreements do not address the need for Club Homes and Estate Homes to have input into the decision making process with respect to decisions regarding the maintenance, repair and replacement of the Shared Infrastructure.

C. The Associations have each acknowledged that proper maintenance, upkeep, administration and improvement of the Easement Areas affects property values, security, safety and quality of life within each of the Associations and therefore desire to cooperate to further define the methodology for budgeting and collecting the Shared Community Expenses and to allow for improvements to the Shared Infrastructure and/or additional



20071010-0099073

Mary Hollinrake P:6/13 2:22PM
Kent Cnty MI Rgstr 10/10/2007 SEAL

capital improvements within the Easement Areas for the benefit of the Co-Owners of each of the Associations.

D. Each of the Condominiums has, with the consent of its Co-owners, amended its Master Deed to permit for the Associations to enter into this Agreement and to allow for assessments of all of the co-owners of the Condominiums for purposes of defraying the cost of the Shared Community Expenses and related Shared Capital Expenses, and to enter into certain other ancillary agreements with respect to the method of determining the Shared Community Expenses and Shared Capital Expenses to be assessed in a given year, and with respect to the need for a shared property management company (the "Property Management Company") to ensure continuity and to facilitate communication between each of the Associations, and to assist with the implementation of this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises set forth in this Agreement, the Associations agree as follows on behalf of themselves and their successors-in-interest in the Parcels:

1. Definitions. As used in this Agreement the following terms are defined, or further defined, as follows:

(a) *Annual Budget* means the budget established by the Lead Association, after consultation with each of the other Associations in the manner established by Section 3 hereof, for annual Shared Community Expenses.

(b) *Budgeted Shared Community Expenses* means those costs and expenses appearing as specific line items in the Annual Budget or properly categorized as falling under a generalized or miscellaneous line item in the Annual Budget.

(c) *Condominium unit* or *Unit* means a single residential building site which is designed and intended for separate ownership and use, as described in the Master Deeds of Watermark, Watermark Club Homes, and Watermark Estate Homes.

(d) *Co-owner* or *Owner* means the person, firm, corporation, partnership, association, trust, or other legal entity or any combination of such entities who or which owns a Condominium Unit in the Condominiums, including any vendee of a land contract of purchase who is not in default under the land contract.

(e) *Designated Representatives* means the two representatives appointed by each Association's Board of Directors to represent the Association as members of the Joint Association Board of Directors.

(f) *Emergency Repair* means a Non-Budgeted Shared Community Expense for which prior approval of the Joint Association Board of Directors is not required pursuant to Section 3(a)(iv).

(g) *Joint Association Board of Directors* means the Designated Representatives of the Boards of Directors of Watermark Association, Club Homes Association, and Estate Homes Association meeting jointly.

(h) *Lead Association* means Watermark Association.

(i) *Non-Budgeted Shared Community Expenses* means those costs and expenses properly categorized as Shared Community Expenses, but not appearing in the Annual Budget.

(j) *Property Management Company* means a single person or entity with whom the Associations jointly contract to assist in, and manage, the collection of assessments from Co-owners and the administration, operation and management of the Condominiums and the implementation of this Agreement.

(k) *Pro Rata Share* means, (i) with respect to Watermark Association 57%; (ii) with respect to Club Homes Association, 36%; and (iii) with respect to Estate Homes Association, 7%.

(l) *Shared Capital Cost(s)* means the costs of additions and capital improvements to add new or additional Shared Infrastructure within the Easement Areas and/or in locations agreeable to the Associations.

(m) *Shared Community Expenses* means all costs and expenses associated with the operation, use, maintenance, repair and replacement of the Shared Infrastructure by the Associations and their Co-owners including, but not limited to, the following: (i) the cost of paving, repaving and replacing the private streets and drives and the sidewalks within the Condominiums; (ii) the cost of snow removal associated with the private streets and drives and the sidewalks within the Condominiums; (iii) the cost of maintaining, repairing and replacing the entry area signage, monumentation and landscaping, and the landscaping and street trees adjacent to the private streets and drives within the Condominiums; (iv) the cost of electricity incurred in connection with lighting the private streets and drives within the Condominiums and the entry signage, monumentation and landscaping; and (v) the cost of any necessary insurances purchased in connection with the Shared Infrastructure.

(n) *Shared Expenses* means, collectively, Shared Community Expenses and Shared Capital Costs.

(o) *Shared Infrastructure* means all improvements within the Easement Areas which are owned, operated and maintained by the Associations, and also



20071010-0099073

Mary Hollinrake P: 8/13 2:22PM
Kent Cnty MI Rgstr 10/10/2007 SEAL

includes, whether or not the same are located within the Easement Areas: (i) all of the private streets and drives within the Condominiums; (ii) all of the street signage associated with the private streets and drives within the Condominiums; (iii) all of the entry signage and monumentation located at the entrances to the Condominiums; (iv) all entry area landscaping, and all landscaping adjacent to the private streets and drives within the Condominiums, including any cul-de-sac trees and landscaping; (v) all sidewalks within the Condominiums; (vi) all utility pipes, lines and conduit designated for use by more than one Unit; and (vii) all lighting associated with the private streets and drives within the Condominiums and the entry signage, monumentation and landscaping. Shared Infrastructure does not include any trees or landscaping, sidewalks, utility pipes, lines and conduit, or driveway areas located within a Unit or Units.

2. Meetings of the Joint Association Board of Directors.

(a) General and Special Meetings. The Joint Association Board of Directors shall consist of six members which shall be comprised of the two Designated Representatives appointed by each of the three Associations. The Joint Association Board of Directors shall meet not less than twice annually to discuss and vote on such issues as may be appropriate under this Agreement. Initially, general meetings of the Joint Association Board of Directors shall be held on the first Monday of May and November of each year at 7:00 p.m. at Watermark Country Club, unless a different date, time and/or location is established by the Joint Association Board of Directors. Special meetings may also be called by any two or more of the Associations acting jointly, provided that at least 15 days written notice of the time, date and location of such special meeting be provided to each of the Associations at their respective addresses for notice set forth herein.

(b) Quorum. The presence in person or by proxy of not less than four of the six members of the Joint Association Boards of Directors shall constitute a "Quorum" of the Joint Association Boards of Directors for the purposes of meeting and conducting business as contemplated by this Agreement. No action may be taken by the Joint Association Board of Directors unless a Quorum is present.

(c) Voting. For purposes of voting under this Agreement, each Association shall, acting by its Designated Representatives, be entitled to the following number of votes:

- (i) Watermark Association shall have three votes;
- (ii) Club Homes Association shall have two votes; and
- (iii) Estate Homes Association shall have one vote.

No Association may "split" its votes on any matter.

(d) Majority. At any meeting at which a Quorum is present, 51% of the votes cast by the Associations, acting by their Designated Representatives, shall constitute

the necessary majority for approval of matters presented at the meeting, except as otherwise specifically set forth in this Agreement.

3. Shared Expenses.

(a) Determination of Shared Community Expenses.

(i) The Lead Association shall establish the Annual Budget for Shared Community Expenses and present the same to the Joint Association Board of Directors for discussion at its second general meeting of each calendar year. The Lead Association will finalize the Annual Budget after taking into consideration all comments received from the other Associations within 15 calendar days after such meeting and distribute a copy of the same to each of the other Associations within 30 days after such meeting. Each of the costs and expenses contained in the Annual Budget shall constitute a Budgeted Shared Community Expense. The Annual Budget shall also include, as a Budgeted Shared Community Expense, a 10% contingency for any miscellaneous items properly categorized as a Budgeted Shared Community Expense, which may arise during the subject calendar year.

(ii) Each of the Associations shall be entitled to contact and notify the Property Management Company of necessary maintenance, repairs, or replacements properly categorized as Shared Community Expenses, and to request the Property Management Company to undertake the same. If the subject maintenance, repair, or replacement: (i) is not a Budgeted Shared Community Expense; (ii) exceeds a cost of \$500.00; or (iii) would otherwise exceed the amount allocated (including any contingency available for Non Budgeted Shared Community Expenses) for such expense in the Annual Budget, then the Property Management Company shall obtain approval from the Lead Association for the subject expenditure before incurring the cost of the same.

(iii) If, during a calendar year, it is determined that the Annual Budget is not sufficient to pay all the costs of Shared Community Expenses coming due during the subject calendar year, then the Joint Association Board of Directors may at a general or special meeting called for such purpose approve additional Non-Budgeted Shared Community Expenses by a majority vote.

(iv) Notwithstanding anything in Section 3(a)(iii) to the contrary, in the event that any maintenance, repair or replacement is reasonably necessary to (A) ensure the safety of the Co-owners, or other visitors to the Condominiums; or (B) prevent further imminent damage or destruction to the Shared Infrastructure or any other General or Limited Common Element of the Condominiums or to any Unit, then no vote of the Joint Association Board of Directors shall be required for such maintenance, repair or replacement, it being acknowledged that the same is appropriately classified as an "Emergency Repair," and the Lead Association shall, working in connection with the Property Management Company, immediately



20071010-0099073

Mary Hollinrake P: 10/13 2:22PM
Kent Cnty MI Rgstr 10/10/2007 SEAL

undertake the necessary Emergency Repair, and assess to each of the other Associations its Pro Rata Share of the cost of the same.

(b) Determination of Shared Capital Costs. Shared Capital Costs shall be approved as follows (each of the following monetary limits relates to an aggregate amount in a calendar year):

(i) Shared Capital Costs less than or equal to \$30,000.00 may be approved by the Lead Association in the same manner as Shared Community Expenses after taking into consideration all comments received from the other Associations in the manner described in Section 3(a)(i), above;

(ii) Shared Capital Costs greater than \$30,000.00, but less than or equal to \$80,000.00 must be approved by the majority vote of the Joint Association Board of Directors;

(iii) Shared Capital Costs greater than \$80,000.00, but less than or equal to \$100,000.00, must be approved by the unanimous vote of the Joint Association Board of Directors;

(iv) Shared Capital Costs greater than \$100,000.00 must be approved by the affirmative vote of not less than 60% of all Co-owners of Units, with each Unit having one vote; and

(v) The approval of Co-owners required for any Shared Capital Cost under this Section 3 may be obtained in the same manner provided for votes of the Co-owners under the Master Deeds of the Condominiums. Alternately, and notwithstanding anything to the contrary contained in the Master Deeds of Watermark, Watermark Club Homes and Watermark Estate Homes, approval of the Co-owners for any Shared Capital Cost under this Agreement may also be obtained by written ballot exchanged between the Co-owners and the Associations in person or via U.S. mail or overnight courier.

4. Payment of Shared Expenses. Upon the approval of any Shared Expense, the Lead Association and Property Management Company shall implement the approved improvement, maintenance, repair or replacement as follows:

(a) Except with respect to any Shared Capital Cost project, all funds for the maintenance, repair or replacement of the Shared Infrastructure shall be advanced by the Lead Association and shall be reimbursed by the other Associations to the Lead Association on a quarterly basis following the receipt of a report prepared by the Property Management Company detailing the Shared Community Expenses incurred during the immediately prior quarter and the amount reimbursable to the Lead Association by each of the other Associations according to its Pro Rata Share.



20071010-0099073

Mary Hollinrake P:11/13 2:22PM
Kent Cnty MI Rstr 10/10/2007 SEAL

(b) All sums due in connection with Shared Capital Costs incurred shall be paid by each Association, according to their respective Pro Rata Shares, within 45 days of vendor billing, to the Property Management Company. The Property Management Company shall distribute monies collected to the appropriate vendor(s) upon receipt of applicable partial or full lien waivers, as the case may be.

5. Shared Property Management Company. The Associations acknowledge that it is beneficial and expeditious for each to employ the same Property Management Company for purposes of facilitating communication among the three and for providing efficiencies associated with economies of scale. Accordingly, the Associations agree to employ a common Property Management Company pursuant to a contract negotiated by the Joint Association Board of Directors. Initially, the Property Management Company shall be Precision Property Management. (Precision Property Management is presently servicing the Associations under separate contracts with each.) The Associations shall endeavor to conform the expiration dates of their existing contracts and to include appropriate cross-default provisions allowing each of the Associations to terminate for cause if any one should terminate for cause. Upon the expiration of the existing contracts, the Joint Association Board of Directors shall either renew the present Property Management Company's engagement, or select a new Property Management Company by unanimous vote. The Property Management Company's contract may allow for different levels of service to each Association and apportion the cost of the contract among the Associations accordingly.

6. No Amendment of Easement Agreements. Nothing set forth herein is intended to amend the Easement Agreements, only to supplement the same.

7. Binding Effect. This Agreement shall constitute a covenant running with the land with respect to the Condominiums and the Units and shall bind the parties and all future owners of all or any portion of such Condominiums and the Units.

8. Entire Agreement. There are no covenants, promises, agreements, conditions, and understandings, either oral or written between the Associations related to the subject matter set forth in this Agreement other than those contained in this Agreement. Except as provided in this Agreement, no subsequent alterations, amendments, changes, or additions to this Agreement shall be binding upon the parties unless in writing and signed by each of the Associations.

9. Amendment. This Agreement may be amended only by written agreement of all of the Associations. This Agreement shall be recorded with the Kent County Register of Deeds in connection with appropriate amendments to the Master Deeds of Watermark, Watermark Club Homes, and Watermark Estate Homes consenting to the same.

10. Effective Date. This Agreement shall be effective as of the date of recording of the Master Deed amendments referenced in Recital D, above.

[SIGNATURES ON FOLLOWING PAGE]



20071010-0099073

Mary Hollinrake P:12/13 2:22PM
Kent Cnty MI Rgstr 10/10/2007 SEAL

The Associations have signed this Agreement as of the date first above written.

WATERMARK CONDOMINIUM
ASSOCIATION, a Michigan nonprofit
corporation

WATERMARK CLUB HOMES
CONDOMINIUM ASSOCIATION, a
Michigan nonprofit corporation

By _____
Gene Reinke
Its President

By _____
John Knape
Its President

WATERMARK ESTATE HOMES
CONDOMINIUM ASSOCIATION, a
Michigan nonprofit corporation

By _____
Michael Kooistra
Its President

EXHIBIT A

EASEMENT AGREEMENTS

The Easement Agreements are described as:

(i) Easement Agreement dated August 31, 1998 and recorded with the Kent County Register of Deeds in Liber 4486 on Pages 948 through 952, inclusive;

(ii) Easement Agreement dated March 12, 2001 and recorded with the Kent County Register of Deeds in Liber 5336 on Pages 369 through 375, inclusive;

(iii) Easement Agreement dated March 12, 2001 and recorded with the Kent County Register of Deeds in Liber 5336 on Pages 376 through 386, inclusive; and

(iv) Assignment of Non Exclusive Easement Agreement dated March 12, 2001 and recorded with the Kent County Register of Deeds in Liber 5336 on Pages 367 through 368, inclusive.

EXHIBIT A

CONDOMINIUM BY-LAWS

WATERMARK

ARTICLE I

ASSOCIATION OF CO-OWNERS

1.1 Organization. Watermark, a residential site condominium project located in the Township of Cascade, Kent County, Michigan (the "Project") is being developed in successive segments so as to comprise a maximum of 300 building sites (the "Units"). Upon the recording of the Master Deed, the management, maintenance, operation and administration of the Project shall be vested in an Association of Co-owners organized as a non-profit corporation under the laws of the State of Michigan (the "Association"). The Association will keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Project available at reasonable hours for inspection by Co-owners, prospective purchasers, mortgagees and prospective mortgagees of Units in the Project.

1.2 Compliance. All present and future Co-owners mortgagees, lessees or other persons who may use the facilities of the Condominium in any manner shall be subject to and comply with the provisions of Act No. 59, P.A. 1978, as amended (the "Condominium Act" or "Act"), the Master Deed and all amendments thereto, the Condominium Bylaws, and the Articles of Incorporation, Association By-Laws, and other Condominium Documents which pertain to the use and operation of the Condominium property. The acceptance of a deed of conveyance, the entering into of a lease or the act of occupancy of a Condominium Unit in the Project shall constitute an acceptance of the provisions of these instruments and an agreement to comply with such provisions.

ARTICLE II

MEMBERSHIP AND VOTING

2.1 Membership. Each Co-owner of a Unit in the Project, during the period of his ownership, shall be a member of the Association and no other person or entity will be entitled to membership. The share of a member in the funds and assets of the Association may be assigned, pledged or transferred only as an appurtenance to his Condominium Unit.

2.2 Voting Rights. Except as limited in the Master Deed and in these By-Laws, each Co-owner will be entitled to one vote for

each Unit owned when voting by number and one vote, the value of which shall equal the total of the percentages assigned to the Unit or Units owned by him when voting by value. Voting shall be by number, except in those instances where voting is specifically required to be otherwise by the Act, and no cumulation of votes shall be permitted.

2.3 Eligibility to Vote. No Co-owner, other than the Developer, will be entitled to vote at any meeting of the Association until he has presented written evidence of ownership of a Condominium Unit in the Project, nor shall he be entitled to vote (except for elections pursuant to Section 3.4) prior to the Initial Meeting of Members. The Developer shall be entitled to vote only those Units to which it still holds title and for which it is paying the current assessment then in effect at the date on which the vote is cast.

2.4 Designation of Voting Representative. The person entitled to cast the vote for each Unit and to receive all notices and other communications from the Association shall be designated by a certificate signed by all the record owners of such Unit and filed with the Secretary of the Association. The certificate shall state the name and address of the individual representative designated, the number or numbers of the Unit or Units owned, and the name and address of the person or persons, firm, corporation, partnership, association, trust or other legal entity who is the Unit owner. All certificates shall be valid until revoked, until superseded by a subsequent certificate or until a change has occurred in the ownership of the Unit.

2.5 Proxies. Votes may be cast in person or by proxy. Proxies may be made by any designated voting representative who is unable to attend the meeting in person. Proxies will be valid only for the particular meeting designated and any adjournment thereof, and must be filed with the Association before the appointed time of the meeting.

2.6 Majority. At any meeting of members at which a quorum is present, 51% of the Co-owners entitled to vote and present in person or by proxy (or written vote, if applicable), shall constitute a majority for the approval of the matters presented to the meeting, except in those instances in which a majority exceeding a simple majority is required by these Bylaws, the Master Deed or by law.

ARTICLE III

MEETINGS AND QUORUM

3.1 Initial Meeting of Members. The initial meeting of the members of the Association may be convened only by the Developer, and may be called at any time after two or more of the Units in Phase I of the Project have been sold and the purchasers qualified

B-10 092

as members of the Association. In no event, however, shall such meeting be called later than the first to occur of: (i) 120 days after the conveyance of legal or equitable title to non-developer Co-owners of 75% of the total number of Units that may be created; or (ii) 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project; at which meeting the eligible Co-owners may vote for the election of directors of the Association. The Developer may call meetings of members of the Association for informational or other appropriate purposes prior to the initial meeting, but no such informational meeting shall be construed as the initial meeting of members.

3.2 Annual Meeting of Members. After the initial meeting has occurred, annual meetings of the members shall be held in each year on a date and at a time and place selected by the Board of Directors. At least 10 days prior to the date of an annual meeting, written notice of the date, time, place and purpose of such meeting shall be mailed or delivered to each member entitled to vote at the meeting; provided, that not less than 20 days written notice shall be provided to each member of any proposed amendment to these By-Laws or to other Condominium Documents.

3.3 Advisory Committee. Within one year after the initial conveyance by the Developer of legal or equitable title to a Co-owner of a Unit in the Project, or within 120 days after conveyance of one-third of the total number of Units that may be created, whichever first occurs, two or more persons shall be selected by the Developer from among the non-developer Co-owners to serve as an Advisory Committee to the Board of Directors. The purpose of the Advisory Committee is to facilitate communication between the Developer-appointed Board of Directors and the non-developer Co-owners and to aid in the ultimate transition of control to the Owners. The members of the Advisory Committee shall serve for one year or until their successors are selected, and the Committee shall automatically cease to exist at the Transitional Control Date. The Board of Directors and the Advisory Committee shall meet with each other at such times as may be requested by the Advisory Committee; provided, however, that there shall be not more than two such meetings each year unless both parties agree.

3.4 Board Composition. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 25% of the Units that may be created, at least 1 director and not less than one-fourth of the Board of Directors of the Association shall be elected by non-developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 50% of the Units that may be created, not less than one-third of the Board of Directors shall be elected by non-developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 75% of the Units that may be created, and before conveyance of 90% of such Units, the non-developer Co-owners shall elect all directors on the Board except that the Developer shall have the

right to designate at least one director as long as the Developer owns and offers for sale at least 10% of the Units in the Project or as long as 10% of the Units remain that may be created.

3.5 Owner Control. If 75% of the Units which may be created have not been conveyed within 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner, the non-developer Co-owners shall have the right to elect a number of members of the Board of Directors of the Association equal to the percentage of Units they hold, and the Developer will have the right to elect a number of members of the Board equal to the percentage of Units which are owned by the Developer and for which assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established. Application of this provision does not require a change in the size of the Board as designated in the corporate by-laws.

3.6 Mathematical Calculations. If the calculation of the percentage of members of the Board that the non-developer Co-owners have a right to elect, or the product of the number of members of the Board multiplied by the percentage of Units held by the non-developer Co-owners results in a right of non-developer Co-owners to elect a fractional number of members of the Board, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number. After application of this formula, the Developer shall have the right to elect the remaining members of the Board. Application of this provision shall not eliminate the right of the Developer to designate at least one member as provided in Section 3.4.

3.7 Quorum of Members. The presence in person or by proxy of thirty-five (35%) percent of the Co-owners entitled to vote shall constitute a quorum of members. The written vote of any owner furnished at or prior to a meeting, at which meeting such owner 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.

ARTICLE IV

ADMINISTRATION

4.1 Board of Directors. The business, property and affairs of the Association shall be managed by a Board of Directors to be elected in the manner described in the Association By-Laws; provided, that the directors designated in the Articles of Incorporation shall serve until such time as their successors have been duly elected and qualified at the initial meeting of members. All actions of the first Board of Directors designated in the Articles of Incorporation or any successors to such directors selected by the Developer before the initial meeting of members shall be binding upon the Association in the same manner as though

such actions had been authorized by a Board of Directors elected by the members of the Association, so long as such actions are within the scope of the powers and duties which may be exercised by a Board of Directors as provided in the Condominium Documents. A service contract or management contract entered into between the Association and the Developer or affiliates of the Developer shall be voidable by the Board of Directors on the Transitional Control Date or within ninety (90) days after the initial meeting has been held, and on thirty (30) days notice at any time for cause.

4.2 Powers and Duties. The Board shall have all powers and duties necessary for the administration of the affairs of the Association, and may take all actions in support of such administration as are not prohibited by the Condominium Documents or specifically reserved to the members. The powers and duties to be exercised by the Board shall include, but shall not be limited to, the following:

(a) Care, upkeep and maintenance of the common elements;

(b) Development of an annual budget, and the determination, levy and collection of assessments required for the operation and affairs of the Condominium;

(c) Employment and dismissal of contractors and personnel as necessary for the efficient management and operation of the Condominium Property;

(d) Adoption and amendment of rules and regulations which are not inconsistent with the provisions of Articles VII and VIII of these Bylaws, governing the use of the Condominium Property;

(e) Opening bank accounts, borrowing money and issuing evidences of indebtedness in furtherance of the purposes of the Association, and designating signatories required for such purpose;

(f) Obtaining insurance for the Common Elements, the premiums of which shall be an expense of administration;

(g) Granting licenses for the use of portions of the common elements for purposes not inconsistent with the provisions of the Act or of the Condominium Documents;

(h) Authorizing the execution of contracts, deeds of conveyance, easements and rights-of-way affecting any real or personal property of the Condominium on behalf of the Co-owners;

(i) Making repairs, additions and improvements to, or alterations of, the Common Elements, and repairs to and restoration of the Common Elements after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(j) Asserting, defending or settling claims on behalf of all Co-owners in connection with the common elements of the Project and, upon written notice to all Co-owners, instituting actions on behalf of and against the Co-owners in the name of the Association; and

(k) Such further duties as may be imposed by resolution of the members of the Association or which may be required by the Condominium Documents or the Act.

4.3 Books of Account. The Association shall keep books and records containing a detailed account of the expenditures and receipts of administration, which will specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and its members. Such accounts shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall also prepare and distribute a financial statement to each Co-owner at least once a year, the contents of which will be defined by the Association. The books and records shall be reviewed annually and audited at such times as required by the Board of Directors by qualified independent accountants (who need not be certified public accountants), and the cost of such review or audit shall be an expense of administration.

4.4 Maintenance and Repair. All maintenance of and repair to the structures and other improvements located within a Condominium Unit, except as otherwise provided in the Master Deed, shall be made by the Co-owner of such Unit. Any Co-owner who desires to make repairs to a Common Element or structural modifications to his Unit must first obtain the written consent of the Association, and shall be responsible for all damages to the Common Elements resulting from such repairs or from his failure to effect such maintenance and repairs.

All maintenance of, repair to and replacement for the General Common Elements, whether located inside or outside the Units, and to Limited Common Elements to the extent required by the Master Deed, shall be made by the Association and shall be charged to all the Co-owners as a common expense unless necessitated by the negligence, misuse or neglect of a particular Co-owner, in which case the expense shall be charged to such Co-owner individually. The Association or its agent shall have access to each Unit from time to time during reasonable working hours, upon notice to the occupant, for the purpose of maintenance, repair or replacement of any of the Common Elements located within or accessible only from a Unit. The Association or its agents shall also have access

to each Unit and to the residence located within the Unit at all times without notice for making emergency repairs necessary to prevent damage to other Units and/or to the Common Elements.

4.5 Reserve Fund. The Association shall maintain a reserve fund, to be used for major repairs and replacement of the Common Elements, as provided by Section 105 of the Act. Such fund shall be established in the minimum amount required on or before the Transitional Control Date, and shall, to the extent possible, be maintained at a level which is equal to or greater than 10% of the then current annual budget of the Association on a noncumulative basis. The minimum reserve standard required by this Section may prove to be inadequate, and the Board should carefully analyze the Project from time to time in order to determine if a greater amount should be set aside or if additional reserve funds shall be established for other purposes.

4.6 Construction Liens. A construction lien arising as a result of work performed on a Condominium Unit or on an appurtenant Limited Common Element shall attach only to the Unit upon which the work was performed, and a lien for work authorized by the Developer or principal contractor shall attach only to Condominium Units owned by the Developer at the time of recording the statement of account and lien. A construction lien for work authorized by the Association shall attach to each Unit only to the proportionate extent that the Co-owner of such Unit is required to contribute to the expenses of administration. No construction lien shall arise or attach to a Condominium Unit for work performed on the General Common Elements not contracted by the Association or the Developer.

4.7 Managing Agent. The Board may employ a Management Company or Managing Agent at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the powers and duties described in Section 4.2. The Developer or any person or entity related to the Developer may serve as Managing Agent if so appointed; provided, however, that any compensation so paid to the Developer shall be at competitive rates.

4.8 Officers. The Association By-Laws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of officers of the Association and may contain any other provisions pertinent to officers of the Association not inconsistent with these Bylaws. Officers may be compensated, but only upon the affirmative vote of sixty (60%) percent or more of all Co-owners.

4.9 Indemnification. All directors and officers of the Association shall be entitled to indemnification against costs and expenses incurred as a result of actions (other than wilful or wanton misconduct or gross negligence) taken or failed to be taken on behalf of the Association upon 10 days notice to all Co-owners, in the manner and to the extent provided by the Association

By-Laws. In the event that no judicial determination as to indemnification has been made, an opinion of independent counsel as to the propriety of indemnification shall be obtained if a majority of Co-owners vote to procure such an opinion.

ARTICLE V

ASSESSMENTS

5.1 Administrative Expenses. The Association shall be assessed as the entity in possession of any tangible personal property of the Condominium owned or possessed in common, and personal property taxes levied on such property shall be treated as 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 Project shall be expenses of administration, and all sums received as proceeds of, or pursuant to any policy of insurance securing the interests of the Co-owners against liabilities or losses arising within, caused by or connected with the Common Elements or the administration of such Common Elements shall be receipts of administration.

5.2 Determination of Assessments. Assessments will be determined in accordance with the following provisions:

(a) Initial Budget. The Board of Directors of the Association shall establish an initial budget in advance for each fiscal year, which budget will project all expenses for the coming year that may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. The annual assessment to be levied against each Unit in the Project shall then be determined on the basis of the budget. Copies of the budget will be delivered to each Co-owner, although the failure to deliver such a copy to each Co-owner will not affect or in any way diminish the liability of a Co-owner for any existing or future assessment.

(b) Budget Adjustments. Should the Board of Directors determine at any time, in its sole discretion, that the initial assessments levied are insufficient: (1) to pay the costs of operation and maintenance of the Common Elements; (2) to provide for the replacement of existing Common Elements; (3) to provide for additions to the Common Elements not exceeding \$4,200 or \$75 per Unit annually, whichever is less; or (4) to respond to an emergency or unforeseen development; the Board is authorized to increase the initial assessment or to levy such additional assessments as it deems to be necessary for such purpose(s). The discretionary authority of the Board of Directors to levy additional assessments will

rest solely with the Board of Directors for the benefit of the Association and its members, and will not be enforceable by any creditors of the Association.

(c) **Special Assessments.** Special assessments, in excess of those permitted by subsections (a) and (b), may be made by the Board of Directors from time to time with the approval of the Co-owners as provided in this subsection to meet other needs or requirements of the Association, including but not limited to: (1) assessments for additions to the Common Elements costing more than \$4,200 in any year; (2) assessments to purchase a Unit upon foreclosure of the lien described in Section 5.5; or (3) assessments for any other appropriate purpose not specifically described. Special assessments referred to in this subsection (but not including those assessments referred to in subsections (a) and (b), which will be levied in the sole discretion of the Board of Directors) will not be levied without the prior approval of sixty (60%) percent or more of all Co-owners. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and its members and will not be enforceable by any creditors of the Association.

5.3 Apportionment of Assessments. All assessments levied against the Unit Owners to cover expenses of administration shall be apportioned among and paid by the Co-owners on an equal basis, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Unless the Board shall elect some other periodic payment schedule, annual assessments will be payable by Co-owners in two (2) equal semi-annual installments, on January 1 and July 1 of each year, commencing with the acceptance of a deed to, or a land contract vendee's interest in a Unit, or with the acquisition of title to a Unit by any other means. The payment of an assessment will be in default if the assessment, or any part, is not received by the Association in full on or before the due date for such payment established by rule or regulation of the Association. Provided, however, that the Board of Directors, including the first Board of Directors appointed by the Developer, may relieve a Unit Owner (including the Developer) who has not constructed a residence within his Unit from payment, for a limited period of time, of all or some portion of the assessment for his respective allocable share of the Association budget. The purpose of this provision is to provide fair and reasonable relief from Association assessments for non-resident owners until such Owners begin to utilize the Common Elements on a regular basis.

5.4 Expenses of Administration. The expenses of administration shall consist, among other things, of such amounts as the Board may deem proper for the operation and maintenance of the Condominium property under the powers and duties delegated to it

and may include, without limitation, amounts to be set aside for working capital of the Condominium, for a general operating reserve, for a reserve for replacement and for meeting any deficit in the common expense for any prior year; provided, that any reserves established by the Board prior to the initial meeting of members shall be subject to approval by such members at the initial meeting. The Board shall advise each Co-owner in writing of the amount of common charges payable by him and shall furnish copies of each budget on which such common charges are based to all Co-owners.

5.5 Collection of Assessments. Each Co-owner shall be obligated for the payment of all assessments levied upon his Unit during the time that he is the Owner of the Unit, and no Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements, or by the abandonment of his Unit.

(a) Legal Remedies. In the event of default by any Co-owner in paying the assessed common charges, the Board may declare all unpaid installments of the annual assessment for the pertinent fiscal year to be immediately due and payable. In addition, the Board may impose reasonable fines or charge interest at the legal rate on such assessments from and after the due date. Unpaid assessments shall constitute a lien on the Unit prior to all other liens except tax liens in favor of any state or federal taxing authority and sums unpaid upon a first mortgage of record recorded prior to the recording of any notice of lien by the Association, and the Association may enforce the collection of all sums due by suit at law for a money judgment or by foreclosure of the liens securing payment in the manner provided by Section 108 of the Act. In an action for foreclosure, a receiver may be appointed and reasonable rental for the Unit may be collected from the Co-owner or anyone claiming under him, and all expenses incurred in collection, including interest, costs and actual attorney's fees, and any advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default.

(b) Sale of Unit. Upon the sale or conveyance of a Condominium Unit, all unpaid assessments against the Unit shall be paid out of the sale price by the purchaser in preference over any other assessment or charge except as otherwise provided by the Condominium Documents or by the Act. A purchaser or grantee may request a written statement from the Association as to the amount of unpaid assessments levied against the Unit being sold or conveyed and such purchaser or grantee shall not be liable for, nor shall the Unit sold or conveyed be subject to a lien for any unpaid assessments in excess of

the amount described in such written statement. Unless the purchaser or grantee requests a written statement from the Association at least 5 days before sale as provided in the Act, the purchaser or grantee shall be liable for any unpaid assessments against the Unit together with interest, costs, and attorneys fees incurred in collection of the assessments.

(c) **Self-Help.** The Association may enter upon the common elements, limited or general, to remove and abate any condition constituting a violation, or may discontinue the furnishing of services to a Co-owner in default under any of the provisions of the Condominium Documents upon 7 days written notice to such Co-owner of its intent 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 the default continues; provided, that this provision shall not operate to deprive any Owner of ingress and egress to and from his Unit.

(d) **Application of Payments.** Money received by the Association in payment of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest charges and fines for late payment on such assessments; and third, to installments of assessments in default in order of their due dates.

5.6 Financial Responsibility of the Developer. The Developer of the Condominium, although a member of the Association, will not be responsible for payment of either general or special assessments levied by the Association prior to the Transitional Control Date, except with respect to Units owned by the Developer on which a completed residence is located. A "completed residence" will mean a residential structure which meets all applicable requirements for the issuance of a Certificate of Occupancy or its equivalent by the local governmental authority.

(a) **Pre-Turnover Expenses.** During the time that the Developer controls the Association, it will be its responsibility to keep the books balanced, and to avoid any continuing deficit in operating expenses. At the time of the initial meeting, the Developer will be liable for the funding of any continuing deficit of the Association which was incurred prior to the Transitional Control Date.

(b) **Post-Turnover Expenses.** After the Transitional Control Date has occurred, the Developer shall be responsible for the payment of the same maintenance assessment levied against other unimproved Units in the Project and for all special assessments levied by the

Association except as otherwise provided in the Condominium Documents.

(c) Exempted Transactions. The Developer will not be responsible for the payment of any portion of any general or special assessment which is levied for deferred maintenance, reserves for replacement or capital improvements or additions, except with respect to Units owned by it on which a completed residence is located. In no event will the Developer be liable for any assessment levied in whole or in part to finance litigation or other claims against the Developer, any cost of investigating and/or preparing such litigation or claim, or any similar related costs.

ARTICLE VI

TAXES, INSURANCE AND REPAIR

6.1 Real Property Taxes. Real property taxes and assessments shall be levied against the individual Units and not against the total property of the Project or any phase thereof, except for the year in which the Project or phase was established subsequent to the tax day. Taxes and assessments which become a lien against the Condominium property in any such year shall be expenses of administration and shall be assessed against the Units located on the land with respect to which the tax or assessment was levied in proportion to the percentage of value assigned to each Unit. Real property taxes and assessments levied in any year in which the property existed as an established Project on the tax day shall be assessed against the individual Units only, even if a subsequent vacation of the Project has occurred.

Taxes for real property improvements made to or within a specific Unit shall be assessed against that Unit description only, and each Unit shall be treated as a separate, single parcel of real property for purposes of property tax and special assessment. No Unit shall be combined with any other Unit or Units, and no assessment of any fraction of a Unit or combination of any Unit with other units or fractions shall be made, nor shall any division or split of the assessment or taxes of a single Unit be made whether the Unit be owned separately or in common.

6.2 Insurance Coverage. The Association shall be appointed as Attorney-in-Fact for each Co-owner to act in connection with insurance matters and shall be required to obtain and maintain, to the extent applicable: casualty insurance with extended coverage, vandalism and malicious mischief endorsements; liability insurance (including director's and officer's liability coverage if deemed advisable); and worker's compensation insurance pertinent to the ownership, use and maintenance of the Common Elements of the Project. All insurance shall be purchased by the Board of Directors for the benefit of the Association, the Co-owners, the

2007-10-20

mortgagees and the Developer, as their interests may appear. Such insurance, other than title insurance, shall be carried and administered according to the following provisions:

(a) **Co-owner Responsibilities.** Each Co-owner will be responsible for obtaining casualty insurance coverage at his own expense with respect to the residential building and all other improvements constructed or located within the perimeters of his Condominium Unit, and for the Limited Common Elements appurtenant to his Unit. It shall also be each Co-owner's responsibility to obtain insurance coverage for his personal property located within his Unit or elsewhere on the Condominium, for personal liability for occurrences within his Unit or on the Limited Common Elements appurtenant to his Unit, and for alternative living expenses in the event of fire or other casualty causing temporary loss of his residence. The Association and all Co-owners shall use their best efforts to see that all insurance carried by the Association or any Co-owner contains appropriate provisions concerning waiver of the right of subrogation as to any claims against any Co-owner or the Association.

(b) **Common Element Insurance.** The General Common Elements of the Project shall be insured by the Association against fire and other perils covered by a standard extended coverage endorsement, to the extent deemed applicable and appropriate, in an amount to be determined annually by the Board of Directors. The Association shall not be responsible in any way for maintaining insurance with respect to the Limited Common Elements, the Units themselves or any improvements located within the Units.

(c) **Fidelity Insurance.** The Association may obtain, if desired, fidelity coverage to protect against dishonest acts by its officers, directors, trustees and employees and all others who are responsible for handling funds of the Association.

(d) **Power of Attorney.** The Board of Directors is irrevocably appointed as the agent for each Co-owner, each mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the Condominium or the Condominium Property, to adjust and settle all claims arising under insurance policies purchased by the Board and to execute and deliver releases upon the payment of claims.

(e) **Indemnification.** Each individual Co-owner shall indemnify and hold harmless every other Co-owner, the Developer and the Association for all damages, costs and judgments, including actual attorneys' fees, which

any indemnified party may suffer as a result of defending claims arising out of an occurrence on or within an individual Co-owners Unit or appurtenant Limited Common Elements. This provision shall not be construed to give an insurer any subrogation right or other right or claim against an individual Co-owner, the Developer or the Association.

(f) Premium Expenses. Except as otherwise provided, all premiums upon insurance purchased by the Association pursuant to these By-Laws shall be expenses of administration.

6.3 Reconstruction and Repair. If any part of the Condominium Property is damaged or destroyed, the decision as to whether or not it will be reconstructed or repaired will be made in the following manner:

(a) General Common Elements. If the damaged property is a General Common Element or main service road, the damaged property shall be repaired or rebuilt unless 80% or more of the Co-owners and the institutional holders of mortgages on any Unit in the Project agree to the contrary. Provided, that if the common roadway provides ingress and egress to one or more Units in the Project, it will be repaired or rebuilt unless the 80% or more of the Co-owners agreeing not to repair or rebuild includes the Co-owners of all such Units.

(b) Limited Common Elements and Improvements. If the damaged property is a Limited Common Element or an improvement located within the boundaries of a Unit, the Co-owner of such Unit alone shall determine whether to rebuild or repair the damaged property, subject to the rights of any mortgagee or other person having an interest in the property, and such Co-owner shall be responsible for the cost of any reconstruction or repair that he elects to make. The Co-owner shall in any event remove all debris and restore his Unit and its improvements to a clean and slightly condition satisfactory to the Association within a reasonable period of time following the occurrence of the damage.

(c) Reconstruction Standards. Any reconstruction or repair shall be substantially in accordance with the Master Deed and the original plans and specifications for any damaged improvements located within the Unit unless prior written approval is obtained from the Association or its Architectural Review Committee.

(d) Procedure and Timing. Immediately after the occurrence of a casualty causing damage to property which is to be reconstructed or repaired, the responsible party

shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to cover the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair the funds for the payment of such costs are insufficient, assessment shall be levied against all Co-owners in sufficient amounts to provide funds to pay the estimated or actual costs of reconstruction or repair. This provision shall not be construed to require the replacement of mature trees and vegetation with equivalent trees or vegetation.

6.4 Eminent Domain. The following provisions will control upon any taking by eminent domain:

(a) Condominium Units. In the event of the taking of all or any portion of a Condominium Unit or any improvements located within the perimeters of a Unit, the award for such taking shall be paid to the Co-owner of the Unit and any mortgagee, as their interests may appear. If a Co-owner's entire Unit is taken by eminent domain, such Co-owner and his mortgagee shall, after acceptance of the condemnation award, be divested of all interest in the Condominium Project.

(b) Common Elements. In the event of the taking of all or any portion of the General Common Elements, the condemnation proceeds relative to the taking shall be paid to the Association for use and/or distribution to its members. The affirmative vote of 67% or more of the Co-owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

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

(d) Notice to Mortgagees. In the event any Unit in the Condominium, the Common Elements or any portion of them is made the subject matter of a condemnation or eminent domain proceeding or is otherwise sought to be

acquired by a condemning authority, the Association shall promptly notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

(e) **Inconsistent Provisions.** To the extent not inconsistent with the provisions of this section, Section 133 of the Act shall control upon any taking by eminent domain.

ARTICLE VII

CONSTRUCTION REQUIREMENTS

7.1 **Design Standards.** Neighborhood design standards, when properly implemented, convey quality, value and stability to home owners. The standards which follow are intended to promote consistency of architecture and landscape design. The implementation of these standards plays a direct role in developing a neighborhood and in preserving real estate values.

7.2 **Review Committee.** An Architectural Review Committee (the "Review Committee") has been established by the Developer of Watermark. The mission of such a Review Committee is to ensure that all plans submitted for review meet the criteria established in the design standards. The design standards for the Project as implemented by the Review Committee will provide sufficient control to ensure compatibility with the overall neighborhood image. A fee schedule for the review of applications will be set by rule of the Committee.

7.3 **Architectural Review.** No building, structure or other improvements shall be constructed within the perimeters of a Condominium Unit or elsewhere on the Condominium Premises, nor shall any exterior modification be made to any existing building, structure or improvement, unless plans and specifications containing such detail as the Association may reasonably require have first been approved in writing by the Review Committee. The Review Committee shall have the right to refuse to approve any plans or specifications, color and/or material applications, grading or landscaping plans, or building location plans which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing on such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site on which it is proposed to be constructed, the proposed location of the improvement within the Unit, the location of structures within adjoining Units and the degree of harmony with the Condominium as a whole.

Architectural plan approval shall be submitted on the application form provided by the Association, which will require complete grading plans and architectural plans, including desired finishes and color selection. Applications must be submitted at

least twenty-one (21) days prior to the desired date of commencement, and no site work shall be started until approval is complete. Once construction has begun, the Architectural Review Committee shall be notified promptly as to any changes sought by the Owner or his building contractor. The Owner will be charged \$300 as a one-time fee for processing the design submittal.

7.4 Approval of Contractor. All buildings and residential dwellings shall be constructed only by residential home builders licensed by the State of Michigan and approved in writing by the Review Committee. If building construction is intended to commence within three (3) months after the date of plan approval, the name of the proposed residential builder must be submitted at the same time as the plans and specifications described in Section 7.3. If construction is to be delayed beyond three (3) months, the name of the proposed residential builder must be submitted for approval at least sixty (60) days prior to the commencement of construction. In its approval process, the Committee may take into consideration the qualifications of the proposed builder along with his reputation in the community before deciding whether or not he will be approved for participation in the Project. Construction of all other improvements, including swimming pools and landscaping, must also be done by contractors approved in writing by the Review Committee.

7.5 Specific Requirements. All approvals required by this Article shall comply with the following requirements:

(a) **Construction Materials.** Each residence shall be finished with wood, masonry (brick), stone or stucco exterior. No aluminum or vinyl siding or soffits nor plastic shutters will be permitted. The front and two sides of the residence must be composed of the same product.

All windows shall be constructed of wood and clad with either aluminum or vinyl.

Only masonry chimneys will be approved by the Architectural Review Committee, which will require that the chimney be finished with stone, brick or stucco at the point at which the chimney chase penetrates the roof. Exposed chimneys shall be constructed of brick or stone and exposed concrete masonry on all other visible improvements shall also be finished with brick, stone or stucco.

Zero clearance fireplaces will be permitted on interior walls only. At the point at which the chimney chase penetrates the roof, it must be finished with stone, brick or stucco. In addition, each chase top must have a custom shroud installed to hide the metal flue.

Roofs shall be of shingle construction, using cedar shingles or architectural grade asphalt shingles. Children's play areas and decorative fencing shall be constructed of wood. The pitch of all roofs shall not be less than 5/12, and shall average 8/12 or more.

All exterior paints, stains and material colors must be shown as part of the plan submitted for approval, and samples thereof shall be furnished to the Architectural Review Committee.

(b) **Size and Space Requirements.** No residence shall be constructed on any Unit with less than the following sizes of finished living areas above grade (as calculated on exterior dimensions), exclusive of decks, porches, patios, garages and terrace level construction:

One-story home	-	2,000	square
feet			
One and one-half			
story home	-	2,400	square feet
Two-story home	-	2,800	square feet

(c) **Improvements and Satellite Dishes.** Each residence must be equipped with an attached side-loading garage of not less than two stalls, and outside parking for a minimum of four vehicles shall be provided on or along the driveway. No detached outbuildings will be permitted for storage or accessory space unless specifically allowed by the Architectural Review Committee.

Satellite dishes not exceeding 18" in diameter will be permitted only on rear elevations of the roof. Placement of satellite dishes at any other location on the Unit will be permitted only with prior approval of the Association or its Architectural Review Committee.

(d) **Lawn Care and Landscaping.** All landscape plans shall be submitted to the Architectural Review Committee for approval. The Developer will plant at least one 4"-6" caliper hardwood tree on each unit, to be located near the street and/or elsewhere in the landscaped area of the lot, the cost of which will be charged to the Owner at closing. Each unit owner may leave portions of his unit in a natural state, but landscaped portions of the unit must be completed within ninety (90) days after occupancy of the residence constructed within a unit, weather permitting. All landscaped areas shall be watered with an underground sprinkling system.

If any owner does not maintain a landscaped area to the satisfaction of the Association, the Association may

require the owner to hire a professional law care service to do the work and the Association, after written warning served on the unit owner, may contract to have the work performed at the such owner's expense.

(e) **Trash and Pick Up.** All trash shall be kept inside the garage or other fully enclosed area except for short periods of time reasonably necessary to permit collection. The Association will select one trash hauler to service the project.

(f) **Letter and Delivery Boxes.** All letter and delivery boxes will be designed, constructed and installed by the Developer for sale to unit owners. No other boxes will be allowed without the express consent of the Architectural Review Committee. Yard lights illuminating the box, of a type approved by the Review Committee, shall be installed by each Owner.

(g) **Pools and Tennis Courts.** No above ground swimming pool will be permitted, and no gazebo, poolhouse, bathhouse or like structure other than the auxiliary building described above shall be used for storage or similar purposes. Tennis courts will be permitted only with prior written approval of the Architectural Review Committee, and may be limited or prohibited if the Committee, in its sole discretion, determines that construction requires the removal of a significant number of trees or otherwise adversely affects the appearance of the Unit or of the Project.

(h) **Walls, Fences and Hedges.** No fences to enclose or to define property lines or individual units will be permitted. Fences or hedges of an approved design may be used, however, to enclose service areas, patios, swimming pools or other areas requiring privacy. If a wall, fence, hedge, screen, shed or other addition is desired, appropriate plans must be submitted to the Architectural Review Committee for approval prior to construction. Wire or chain link fences are prohibited; wood, masonry or plant materials are considered as suitable components for fences and screens.

(i) **Driveways and Entry Lighting.** All driveways servicing the units from the common roadway shall be primarily of asphalt or cement surface. Lot frontage shall be lighted with a lighting fixture designed and supplied by the Developer for sale to unit owners. No other street or site lighting shall be permitted without the approval of the Architectural Review Committee.

7.6 Codes and Ordinances. In addition to the Construction Requirements contained in this Article, all buildings and other structures must comply with applicable building, mechanical, electrical and plumbing codes of Cascade Township in effect at the time the building or structure is erected.

7.7 Reserved Developer Rights. The purpose of this section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and its provisions shall be binding upon both the Association and upon all Co-owners. During the Development and Sales Period, the Developer may construct dwellings or other improvements on the Condominium Premises without the necessity of prior consent from the Association, its Architectural Review Committee or any other person or entity, subject only to the express limitations contained in the Condominium Documents; provided, however, that all such dwellings and improvements shall, in the reasonable judgment of the Developer or its architect, be architecturally compatible with the structures and improvements constructed elsewhere on the Condominium Property.

7.8 Committee Appointment. Until such time as dwellings have been constructed within all of the Units, the Developer may designate the members of the Architectural Review Committee. Promptly after completion of construction of the final dwelling in the Project, if rights of appointment have not previously been assigned to the Association, the Developer representatives shall resign from the Committee and the Board of Directors of the Association shall appoint three (3) new members to the Committee. In each succeeding year, or at such other intervals as the Board of Directors may decide, the Board of Directors shall appoint or re-appoint three (3) members to serve on the Review Committee.

7.9 Permitted Variance. The Architectural Review Committee may, upon a showing of practical difficulty or other good cause, grant variances from the requirements of this section, but only to the extent and in such a manner as do not violate the spirit and intent of such requirements.

ARTICLE VIII

USE AND OCCUPANCY RESTRICTIONS

8.1 Residential Use. Condominium Units shall be used exclusively for residential occupancy, and no Unit or appurtenant Common Element shall be used for any purpose other than that of a single family residence or purposes incidental to residential use. Home occupations conducted entirely within the residence and participated in solely by members of the immediate family residing in the residence, which do not generate traffic by members of the general public and do not change the residential character of the building, are expressly declared to be incidental to primary residential use. No building intended for other business uses, and no apartment house, rooming house, day care facility, foster care

residence or other commercial or quasi-commercial structure of any kind shall be erected, placed or permitted on any Unit.

8.2 Common Areas. The common elements shall be used only by the Co-owners of Units in the Condominium and by their agents, tenants, family members, invitees and licensees for access, ingress to and egress from the respective Units and for other purposes incidental to use of the Units; provided, that any parking areas, storage facilities, or other common areas designed for a specific purpose shall be used only for the purposes approved by the Board. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Co-owner, and shall be subject to any lease or easement presently in existence or entered into by the Board at some future date which affects all or any part of the Common Elements.

8.3 Use and Occupancy Restrictions. In addition to the general requirements of Sections 8.1 and 8.2, the use of the Project and its Common Elements by any Co-owner shall be subject to the following specific restrictions:

(a) Exterior Changes. No Co-owner shall make any additions, alterations, or modifications to any of the Common Elements, nor make any changes to the exterior appearance of the residence or other improvements located within the perimeters of his Unit without prior approval of the Association or its Architectural Review Committee. Exterior changes which require prior approval include, without limitation, the erections of antennas, lights, aerials, awnings, newspaper holders, basketball backboards, mailboxes and flag poles. No Co-owner shall in any way restrict access to any utility line or other area that must be accessible to service the Common Elements or which affects an Association responsibility in any way. A change in the color of a building or a significant landscaping change are included within the meaning of a change in exterior appearance.

(b) Unit Rental. No portion of a Unit may be rented and no transient tenants may be accommodated in any building; provided, that this restriction shall not prevent the rental or sublease of an entire Unit together with its appurtenant Limited Common Elements for residential purposes in the manner permitted by Article X.

(c) Nuisances. No nuisances shall be permitted on the Condominium Property nor shall any use or practice be permitted which is a source of annoyance to, or which interferes with the peaceful possession or proper use of the Project by its residents. No Unit shall be used in whole or in part for the storage of rubbish or trash, nor for the storage of any property or thing that may cause

the Unit to appear in an unclean or untidy condition. No substance or material shall be kept on a Unit that will emit foul or obnoxious odors, or that will cause excessive noise which will or might disturb the peace, quiet, comfort or serenity of the occupants of surrounding Units.

(d) Insurance Risks. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property, and nothing shall be done or kept in any Unit or on the Common Elements which will increase the rate of insurance for the Project without the prior written consent of the Association. No Co-owner shall permit anything to be done or kept in his Unit or elsewhere on the Common Elements which will result in the cancellation of insurance on any Unit or any part of the Common Elements, or which would be in violation of any law.

(e) Signs. No signs or other advertising devices (other than one professionally made sign, or a sign of substantially the same quality and appearance advertising a unit for sale, which is not larger than six (6) square feet in size), shall be displayed from any residence or on any Unit which are visible from the exterior of the Unit or from the Common Elements without written permission from the Association or its Managing Agent.

(f) Personal Property. No Co-owner shall display, hang or store any clothing, sheets, blankets, laundry or other articles of personal property outside a residence or closed storage building, nor which may be visible from the outside of a residence other than draperies, curtains, blinds or shades of a customary nature and appearance. This restriction shall not be construed to prohibit a Co-owner from placing and maintaining outdoor furniture and decorative foliage of a customary nature and appearance on a patio, deck or balcony appurtenant to a residence located within his Unit; provided, that no such furniture or other personal property shall be stored on any open patio, deck or balcony which is visible from another Unit or from the Common Elements of the Project during the winter season.

(g) Fireworks and Weapons. No Co-owner shall use, or permit the use by any occupant, agent, tenant, invitee, guest or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, illegal fireworks or other dangerous weapons, projectiles or devices anywhere on or about the Condominium Property.

(h) Pets and Animals. No exotic, savage or dangerous animal shall be kept on the Condominium

Property and no animal may be kept or bred for commercial purposes. Common household pets permitted under the provisions of this subsection shall be kept only in compliance with the rules and regulations promulgated by the Board of Directors from time to time, and must at all times be kept under such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No animal shall be permitted to run loose upon the Common Elements, limited or general, nor upon any Unit except the Unit owned by the owner of such animal, and the owner of each pet shall be responsible for cleaning up after it.

(i) **Recreational Property.** No recreational vehicles, boats or trailers shall be parked or stored in any garage if such storage would prevent full closure of the garage door, or elsewhere on the Condominium Property without the written approval of the Association. No snowmobile, dirt bike, go-cart, all-terrain vehicle or other motorized recreational vehicle shall be operated on the Condominium Property. No maintenance or repair shall be performed on any boat or vehicle except within a garage or residence where totally isolated from public view.

(j) **Common Elements.** The General Common Elements shall not be used for the storage of supplies or personal property (except for such short periods of time as may be reasonably necessary to permit periodic collection of trash). No vehicles shall be parked on or along the private drive(s) (except in the event of approved parties or receptions generating a need for off-site parking), and Owners and residents shall not use or obstruct any guest parking areas which may be located on the Common Elements of the Project without the prior consent of the Association. In general, no activity shall be carried on nor condition maintained by any Co-owner either in his Unit or upon the Common Elements which despoils the appearance of the Condominium.

(k) **Application of Restrictions.** Absent an election to arbitrate pursuant to Article XII of these Bylaws, a dispute or question as to whether a violation of any specific regulation or restriction contained in this Article has occurred shall be submitted to the Board of Directors of the Association which shall conduct a hearing and render a decision in writing, which decision shall be binding upon all owners and other parties having an interest in the Condominium Project.

8.4 Zoning Compliance. In addition to the restrictions contained in Section 8.3, the use of any Unit or structure located on the Condominium Property must also satisfy the requirements of

the zoning ordinances of Cascade Township, Kent County, Michigan in effect at the time of the contemplated use unless a variance for such use is first obtained from the Zoning Board of Appeals of Cascade Township.

8.5 Rules of Conduct. Additional rules and regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of Condominium Units and Common Elements, limited and general, may be promulgated and amended by the Board. Copies of such rules and regulations must be furnished by the Board to each Co-owner at least 10 days prior to their effective date, and may be revoked at any time by the affirmative vote of 60% or more of all Co-owners.

8.6 Remedies on Breach. In addition to the remedies granted by Section 5.5 for the collection of assessments the Association shall have the right, in the event of a violation of the restrictions on use and occupancy imposed by Section 8.3, to enter the Unit and to remove or correct the cause of the violation. Such entry will not constitute a trespass, and the Co-owner of the Unit will reimburse the Association for all costs of the removal or correction. Failure to enforce any of the restrictions contained in this Article will not constitute a waiver of the right of the Association to enforce such restrictions in the future.

8.7 Co-owner Enforcement. An aggrieved Co-owner will also be entitled to compel enforcement of the Condominium Documents by action for injunctive relief and/or damages against the Association, its officers or another Co-owner in the Project.

8.8 Developer Approvals. During the Development and Sales Period, no buildings, fences, walls, drives, walks or other structures or improvements shall be commenced, erected or maintained, nor shall any addition to, or external change or alteration to any structure be made (including color and design), nor shall any hedges, trees, or substantial plantings or landscaping modifications be made, until plans or specifications acceptable to the Developer, showing the nature, kind, shape, height, materials, color scheme, location and approximate cost of such structure or improvement and the grading or landscaping plan of the area to be affected, shall have been submitted to and approved in writing by Developer.

The Developer shall have the right to refuse to approve any plans or specifications, or grading or landscaping plans which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such specifications, grading or landscaping plans, it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to erect the same, and the degree of harmony with the Condominium as a whole.

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8.9 Reserved Rights of Developer. The restrictions contained in this Article shall not apply to the commercial activities of the Developer during the Development and Sale Period, or of the Association in the exercise of the powers and purposes contained in these Bylaws and in the Articles of Incorporation, as they may be amended from time to time. The Developer shall also have the right to maintain a sales office, advertising display signs, storage areas and reasonable parking incident to its sales efforts and such access to, from and over the Condominium Property as may be reasonable to enable development and sale of the entire Project.

8.10 Enforcement of Bylaws. The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a private residential community, used and occupied for the benefit of the Co-owners and all other persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligations to maintain, repair, replace and landscape in a manner consistent with the maintenance of such standards, the Developer, or any person to whom it may assign this right may, at its option, elect to maintain, repair and/or replace any Common Elements or to do any landscaping required by these bylaws and to charge the cost to the Association as an expense of administration. The Developer shall have the right to enforce these bylaws throughout the Development and Sales Period, which right of enforcement shall include (without limitation) an action to restrain the Association or any Co-owner from any prohibited activity.

8.11 Assignment and Succession. Any or all of the rights granted to or reserved by the Developer in the Condominium Documents or by law, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by an appropriate instrument in writing, signed by the Developer and recorded in the public records of Kent County, Michigan. Upon such qualification, the assignee will have the same rights and powers as those granted to or reserved by the Developer in the Condominium Documents.

ARTICLE IX

MORTGAGES

9.1 Notice to Association. Any Co-owner who mortgages a Condominium Unit shall notify the Association of the name and address of the mortgagee, and the Association will maintain such information in a book entitled "Mortgagees of Units". Such information relating to mortgagees will be made available to the Developer or its successors as needed for the purpose of obtaining consent from, or giving notice to mortgagees concerning amendments to the Master Deed or other actions requiring consent or notice to mortgagees under the Condominium Documents or the Act.

9.2 Insurance. The Association shall notify each mortgagee appearing in the Mortgagees of Units book of the name of each company insuring the condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief with the amounts of such coverage.

9.3 Rights of Mortgagees. Except as otherwise required by applicable law or regulation which is binding on the parties, the holder of a first mortgage of record on a Condominium Unit will be granted the following rights:

(a) Inspection and Notice. Upon written request to the Association, a mortgagee will be entitled to: (i) inspect the books and records relating to the Project on reasonable notice during normal business hours; (ii) receive a copy of the annual financial statement which is distributed to Owners; (iii) notice of any default by its mortgagor in the performance of the mortgagor's obligations which is not cured within 30 days; and (iv) notice of all meetings of the Association and its right to designate a representative to attend such meetings.

(b) Exemption from Restrictions. A mortgagee which comes into possession of a Condominium Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, shall be exempt from any option, "right of first refusal" or other restriction on the sale or rental of the mortgaged Unit, including but not limited to, restrictions on the posting of signs pertaining to the sale or rental of the Unit.

(c) Past Due Assessments. A mortgagee which comes into possession of a Condominium Unit pursuant to the remedies provided in the mortgage, or by deed (or assignment) in lieu of foreclosure, 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 (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments charged to all Units including the mortgaged unit).

9.4 Additional Notification. When notice is to be given to a Mortgagee, the Board of Directors shall also give such notice to the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Farmer's Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity participating in purchasing or guarantying mortgages of Units in the Condominium if the Board of Directors has notice of such participation.

ARTICLE X

ARTICLE X

LEASES

10.1 Notice of Lease. A Co-owner, including the Developer, desiring to rent or lease a Condominium Unit for a period of more than thirty (30) consecutive days, shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a prospective tenant and, at the same time, shall supply the Association with a copy of the exact lease form for its review for compliance with the Condominium Documents. If the Developer proposes to rent condominium units before the Transitional Control Date, it must notify either the Advisory Committee or each Co-owner in writing. No Unit shall be rented or leased for a period of less than ninety (90) days without the prior written consent of the Association.

10.2 Terms of Lease. Tenants or non Co-owner occupants shall comply with all the conditions of the Condominium Documents of the Project, and all lease and rental agreements must require such compliance. The owner of each rental unit will present to the Association evidence of certification or registration of the rental unit if required by local ordinance.

10.3 Remedies of Association. If the Association determines that any tenant or non Co-owner occupant has failed to comply with any conditions of the Condominium Documents, the Association may take the following action:

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

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

(c) **Legal Action.** If, after 15 days the Association believes that the alleged breach has not been cured or may be repeated, it may institute an action for eviction against the tenant or non Co-owner occupant and a simultaneous action for money damages (in the same or in a separate action) against the Co-owner and tenant or non Co-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this Section may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or the Condominium Project.

10.4 Liability for Assessments. If a Co-owner is in arrearage to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying the Co-owner's Unit under a lease or rental agreement and the tenant, after receiving such notice, shall deduct from rental payments due the Co-owner the full arrearage and future assessments as they fall due and pay them to the Association. Such deductions shall not be a breach of the rental agreement or lease by the tenant.

ARTICLE XI

TRANSFER OF UNITS

11.1 Unrestricted Transfers. An individual Co-owner may, without restriction under these Bylaws, sell, give, devise or otherwise transfer his Unit, or any interest in the Unit.

11.2 Notice to Association. Whenever a Co-owner shall sell, give, devise or otherwise transfer his Unit, or any interest therein, the Co-owner shall give written notice to the Association within five (5) days after consummating the transfer. Such notice shall be accompanied by a copy of the sales agreement, deed or other documents effecting the transfer.

ARTICLE XII

ARBITRATION

12.1 Submission to Arbitration. Any dispute, claim or grievance arising out of or relating to the interpretation or application of the Master Deed, Bylaws or other Condominium Documents, and any disputes, claims or grievances arising among or between Co-owners or between such Owners and the Association may, upon the election and written consent of the parties to the dispute, claim or grievance, and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision and/or award 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 all such arbitration.

12.2 Disputes Involving the Developer. A contract to settle by arbitration may also be executed by the Developer and any claimant with respect to any claim against the Developer that might be the subject of a civil action, provided that:

(a) Purchaser's Option. At the exclusive option of a Purchaser or Co-owner, a contract to settle by arbitration shall be executed by the Developer with respect to any claim that might be the subject of a civil action against the Developer, which claim involves an amount less than \$2,500.00 and arises out of or relates to a purchase agreement, Condominium Unit or the Project.

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(b) **Association's Option.** At the exclusive option of the Association of Co-owners, a contract to settle by arbitration shall be executed by the Developer with respect to any claim that might be the subject of a civil action against the Developer, which claim arises out of or relates to the Common Elements of the Project, if the amount of the claim is \$10,000.00 or less.

12.3 Preservation of Rights. Election by any Co-owner or by the Association to submit any dispute, claim or grievance to arbitration shall preclude such party from litigating the dispute, claim or grievance in the courts. Except as provided in this Article, however, all interested parties shall be entitled to petition the courts to resolve any dispute, claim or grievance in the absence of an election to arbitrate.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

13.1 Definitions. All terms used in these Bylaws will have the same meaning assigned by the Master Deed to which the Bylaws are attached as an exhibit, or as defined in the Act.

13.2 Severability. In the event that any of the terms, provisions, or covenants of these Bylaws or of any Condominium Document are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair 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.

13.3 Notices. Notices provided for in the Act, Master Deed or By-Laws shall be in writing, and shall be addressed to the Association at its registered office in the State of Michigan, and to any Co-owner at the address contained in the deed of conveyance, or at such other address as may subsequently be provided.

The Association may designate a different address for notices to it by giving written notice of such change of address to all Co-owners. Any Co-owner may designate a different address for notices to him or her by giving written notice to the Association. Notices addressed as above shall be deemed delivered when mailed by United States mail with postage prepaid, or when delivered in person.

13.4 Amendment. These By-Laws may be amended, altered, changed, added to or repealed only in the manner prescribed by Article IX of the Master Deed of Watermark.

13.5 Conflicting Provisions. In the event of a conflict between the Act (or other laws of the State of Michigan) and any

Condominium Document, the Act (or other laws of the State of Michigan) shall govern; in the event of a conflict between the provisions of any one or more of the Condominium Documents themselves, the following order of priority shall be applied and the provisions of the document having the highest priority shall govern:

- (1) the Master Deed, including the Condominium Subdivision Plan (but excluding these Bylaws);
- (2) these Condominium Bylaws;
- (3) the Articles of Incorporation of the Association;
- (4) the Association (Corporate) Bylaws; and
- (5) the Rules and Regulations of the Association.

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MINUTES

Joint Association Board of Directors

June 4, 2026, 5 pm

Cascade Library (Wisner Center)

Grand Rapids, MI 49546

Those Present: Leo Ditchcreek (WCA), Mike Berger (WCA), Maribeth Glaub (Estate Homes), Michael Kooistra (Estate Homes) Mike Lloyd (Club Homes) and Jerry Nichols (Club Homes).

Absent: None

Others Present: Ryan Arends and James VanHekken (Moore & Bruggink Engineering)

1. Call to order: The meeting was called to order at 5:03 pm by Mr. Berger.
2. Agenda: The agenda along with other pertinent material for the meeting was distributed in advance of the meeting and on a motion was duly made by Mr. Nichols and second by Mr. Lloyd, the agenda was unanimously approved.
3. Minutes: The minutes of the Joint Association BOD meeting of September 16, 2025, were circulated in advance of the meeting and reviewed by the Board. On a motion by Mr. Lloyd and seconded by Mr. Nichols the minutes as presented were unanimously approved.
4. Financial Report: Mr. Ditchcreek presented the summary of the Joint Expenses as of April 30, 2026, which were previously distributed to members for their review. He also, distributed during the meeting a Joint expense report through the end of May 2026, which reported total Joint expenses to be \$43,322 year-to-date (YTD) compared with a YTD budget of \$40,193, which is a variance of \$3,129 (8%) One significant item in May was the Road repair of \$9,998, which is the annual crack sealing and patch repair normally done in the fall, but this year is being done earlier than expected. Mr. Ditchcreek also stated that in the April report distributed earlier he had stated that this past winter has been terrible and snow removal costs were much higher than originally anticipated. In addition, it was reported that Acacia Management is inspecting the storm drains this year to see whether they need to be cleaned out, which the budget has about \$6,787 allocated for this type of work.

5. Old Business:

Road Improvement Project: Mr. Ditchcreek distributed copies of the Watermark Road Improvement Project updated estimates. The estimates compared the cost of completing the project in one year versus or over four multiple phases. Estimates for each were prepared by M&B. Ryan Arends and James Hekken from Moore & Bruggink then started discussions of the advantages and disadvantages of the project being completed. It has been agreed by all that the Crushing and Shaping option that was originally proposed in 2020 as the best option is still the option that the association will pursue. Crushing and Shaping will replace the gravel base and 3 ½ inches of asphalt. The question is whether the project should be done over one year or multiple years. The cost estimate for the project to be complete in one year is \$1,387,000 (in today dollars) versus the cost over a four phase or four years of \$1,508,300 a difference of \$121,500. There has been a significant increase from the previous estimates, given the spike in oil prices which is causing cost increases with this project.

After discussion it was agreed by all that the project should be done over a two-year period, with phases 1 & 2 (perimeter courts and streets) as proposed by M&B to be combined and completed in the first year and then if possible to have Phase 3 & 4 (all of Watermark Drive) completed in a second year. The problem will be as to when the project can start and whether there will be a need to possibly start the project in one year, then skip a year and then finish in a subsequent year. Hopefully the project can start in 2029 or 2030, but this will greatly depend on final estimates. If the project should start (phase 1), for example, in 2029, the best would be to have the work done during the months of May through September 2029. This would mean that bids should be solicited no later than fall 2028 and selection made no later than November or December 2028. It is then anticipated that approval of the owners, which will require 60% majority of all the owners (pursuant to the Shared Expense agreement 3.b.(iv and v) should be obtained during the summer of 2028. However, starting in 2029 may delay Phase 2 of Watermark Drive by possibly one or more years.

The members also discussed the Optional upgrades that have been presented that being Concrete Curb & Gutter repairs (\$45,500), Underdrain & Clean Outs (\$81,000) and Geogrid base reinforcements (\$127,000). After discussions and based on the recommendation of the engineers, of the various options, it was agreed that the Underdrain & Clean Outs would provide the best benefit and should be added to the project. The Concrete Curb & Gutter work, and Geogrid Base reinforcements are nice but are not that much of a value to the association. Therefore, the cost estimate would need to include the Underdrain & Clean out upgrade option for the association.

Mr. Nichols also raised a question about the club home driveways, in that it is being planned by the club homes to have their individual asphalt driveways replaced at the same time as the road improvements. This would make sense from a logistical and economic perspective. This can be a separate item, and the cost of the driveway replacements will be borne by the club homes. Ryan Arends requested addresses for each location to be incorporated within his estimates and will be included in the project. Jerry Nichols will provide that to Ryan. The Estate Homes were not sure whether they would need to do this but will verify later.

Ryan Arends will upon receipt of the information from Jerry Nichols will update the estimates to be completed over two phases (years) with the optional upgrade and the driveways for the clubs, which will be a separate line item and clearly identified for the club homes. Upon receipt of the revised estimates, Leo Ditchcreek will update the reserve study for 2026 to include the new estimates and timeline of the project for review by the members in the fall during the budget meeting of the joint association.

There being no further questions the members thanked Ryan Arends and James Hekken for their work and were excused from the meeting.

6. New Business:

The members discussed the installation of Speed Bumps and purchase of electronic speed signs. Mr. Berger wanted to get a consensus as to these items to help reduce the speeding of vehicles in the subdivision. On a motion duly made by Mr. Lloyd and seconded by Mr. Ditchcreek, the members unanimously agreed to purchase speed bumps to be located throughout the neighborhood, which has an estimated of \$100 each by Global Industrial, but the members did not agree to the purchase of the electronic radar speed signs, which for two were estimated at \$7,400. The reason was the cost of the speed signs compared to whether they will be effective. The consensus was to purchase and install speed bumps and see what the effects will have on slowing traffic.

It was raised that the association should look at installing more stop signs along Watermark Drive, possibly near the golf crossings. However, after discussions no action was taken on installing new stop signs, but as discussed as a possible next step if speed bumps do not slow down the traffic.

Ms. Glaub raised the question of Garage Sales within the neighborhood. It was briefly discussed that Estate sales which are usually held indoors are okay, but garage sales were not allowed.

Mr. Ditchcreek raised a question that Jerry Nichols has inquired about solicitation within the neighborhood. Mr. Ditchcreek stated that the only option right now is

whenever anyone is approached by a solicitor to kindly inform them of the fact that there is supposed to be no solicitation.

Mr. Lloyd had brought up the question about a section along Watermark Drive between Alhambra and Stickley where he reported that numerous people have been depositing their animal doggy bags causing an unsightly mess. Mr. Kooistra suggested that the association invest in a receptacle to be placed in that area for people to throw such items into. This could be regularly picked up by Republic Services. It was agreed that Mike Lloyd will contact Acacia and work to get this done for the association.

7. Adjournment: There being no further business, on a motion made by Mr. Ditchcreek and seconded by Mr. Lloyd, the meeting was adjourned at approximately 6:45 pm.

Respectfully submitted,
Leo Ditchcreek

Watermark Joint Board Resolution

I am the duly appointed Secretary of the Joint Association Board of Watermark Development, which represents the three associations of Watermark Condominium Association, Watermark Club Homes Association, and the Watermark Estate Homes Association, all which are Michigan nonprofit corporations. I hereby certify that at a duly called and convened meeting of the Joint Association (the "Joint Board") held on September 9, 2026, the Joint Board adopted and approved the following resolutions:

Recitals

1. The Articles of Incorporation of the Watermark Condominium Association dated August 1, 1997, specifically state that the Association purpose is to provide an entity pursuant to Act No 59 of the Public Acts of 1978, as amended, hereinafter called the "Michigan Condominium Act", for the operation of condominium properties in Cascade Township, Kent County, Michigan, and in furtherance thereof:
 - (a) to maintain, operate and administer the property of the condominium for the use and enjoyment of its members and their guests, invitees, and families; . . .
 - (f) To authorize and approve the execution of contracts, deeds, and/or easements affecting the common elements; . . .
 - (g) In general, to carry out any other business in connection with and incident to the foregoing purposes not forbidden, and with all the power conferred upon non-profit corporations by the laws of the State of Michigan.
2. The Master Deed of Watermark dated June 30, 1998, and filed with Kent County on July 8, 1998, specifically defines in Article 3.1 that the "association" or "association of co-owners" to be the Watermark Condominium Association, the Michigan Non-profit corporation.
3. Article 4.5 of the Master Deed of Watermark dated June 30, 1998, specifically sets forth that all co-owners have appointed the Watermark Condominium Association as their agent and attorney, to act in connection with all matters concerning the Common Elements and their respective interests in the Common Elements and that the Association will have full power and authority to grant easements over, to sever or lease mineral interests and/or to convey title to the land or improvements constituting the General Common Elements or any part of them, to dedicate as public streets any part of the General Common Elements, to amend the Condominium Documents for the purpose of assigning or reassigning the Limited Common Elements and in general to execute all documents and to do all things necessary or convenient to the exercise of such powers .
4. Amendment #7 of the Master Deed of Watermark dated September 24, 2007, states in Paragraph C of its recitals that the easement agreements provide a methodology

for sharing expenses for the maintenance, repair and replacement of the private drives and other elements of the community known as the Shared Infrastructure.

5. The Joint Board did unanimously approve the purchase and installation of Speed Bumps within Watermark during its meeting of June 4, 2026.

Resolution

RESOLVED, although not required, the Joint Board representing the three associations of Watermark, being the Watermark Condominium Association, Watermark Club Homes Association and Watermark Estate Homes Association, all Michigan nonprofit corporations, affirms the authority of the Watermark Condominium Association to request amendments of any and all ordinances with the Cascade Charter Township related to the Forest Hills Golf Course/Watermark Condominiums Planned Unit Development Project.

RESOLVED FURTHER, that the Joint Board hereby ratifies the purchase and installation of speed bumps and affirms that the Watermark Condominium Association has the authority to take all necessary or appropriate actions to apply and pursue an amendment to the ordinance with the Cascade Charter Township, Ordinance #10 of 1997, to remove and strike item #8 on page 11 of the Ordinance which sets forth:

8. The use of speed bumps on the private road shall be prohibited,

and otherwise, to amend the Ordinance or any other ordinances to remove any provision that prohibits the use of speed bumps on any private road in the Forest Hills Golf Course/Watermark Condominiums Planned Unit Development Project.

September 9, 2026

Date



Leo Ditchcreek,
Secretary
Watermark Joint Board Association